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TREASURY AND GENERAL GOVERNMENT APPROPRIATION BILL, 2003

JULY 17, 2002.—Ordered to be printed

Mr. DORGAN, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 2740]

The Committee on Appropriations reports the bill (S. 2740) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 2003, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of bill as reported to the Senate	\$34,766,450,000
Amount of estimate	34,276,277,000
The bill as reported to the Senate:	
Above the appropriations provided in 2002	1,052,088,000
Above the estimates for 2003	490,173,000

CONTENTS

	Page
General statement and summary of bill	3
Accrual funding of retirement cost and post-retirement health benefits	4
Agency fees for FECA Administration	5
Title I—Department of the Treasury	6
Title II—United States Postal Service	48
Title III—Executive Office of the President and Funds Appropriated to the President	51
Title IV—Independent Agencies:	
Committee for Purchase From People Who Are Blind or Severely Dis- abled	66
Federal Election Commission	66
Federal Labor Relations Authority	67
General Services Administration	67
Merit Systems Protection Board	79
Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation	79
National Archives and Records Administration	80
National Historical Publications and Records Commission	82
Office of Government Ethics	83
Office of Personnel Management	84
Office of Special Counsel	88
U.S. Tax Court	88
White House Commission on the National Moment of Remembrance	89
Statement concerning general provisions	90
Title V—General provisions, this act	91
Title VI—General provisions, departments, agencies, and corporations	93
Compliance with paragraph 7, rule XVI, of the Standing Rules of the Senate ..	96
Compliance with paragraph 7(c), rule XXVI of the Standing Rules of the Senate	97
Compliance with paragraph 12, rule XXVI of the Standing Rules of the Senate	98
Budget impact	99
Comparative statement	100

GENERAL STATEMENT AND SUMMARY OF THE BILL

The accompanying bill contains recommendations for new budget (obligational) authority for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 2003.

The Committee considered budget estimates for fiscal year 2003 in the aggregate amount of \$34,276,277,000. Compared to that amount, the accompanying bill recommends new budget authority totaling \$34,766,450,000.

REPROGRAMMING REQUIREMENTS

The Committee is concerned about the number of reprogramming requests submitted by agencies for congressional review. Agencies are again reminded that only those requests which meet the reprogramming criteria listed below will be considered, that reprogramming should be reserved for critical circumstances, and that reprogramming proposals will not be considered, except in extraordinary circumstances, if received 45 or fewer days prior to the end of the fiscal year.

The reprogramming guidelines to be used to determine whether or not a reprogramming shall be submitted to the Committee for prior approval are as follows:

1. Except under extraordinary and emergency situations, the Committees on Appropriations will not consider requests for a reprogramming or a transfer of funds, or use of unobligated balances, which are submitted after the close of the third quarter of the fiscal year, June 30;
2. Clearly stated and detailed documentation presenting justification for the reprogramming, transfer, or use of unobligated balances shall accompany each request;
3. For agencies, departments, or offices receiving appropriations in excess of \$20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$500,000 or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;
4. For agencies, departments, or offices receiving appropriations less than \$20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of \$50,000, or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;
5. For any action where the cumulative effect of below threshold reprogramming actions, or past reprogramming and/

or transfer actions added to the request, would exceed the dollar threshold mentioned above, a reprogramming shall be submitted;

6. For any action which would result in a major change to the program or item which is different than that presented to and approved by either of the Committees, or the Congress, a reprogramming shall be submitted;

7. For any action where funds earmarked by either of the Committees for a specific activity are proposed to be used for a different activity, a reprogramming shall be submitted; and,

8. For any action where funds earmarked by either of the Committees for a specific activity are in excess of the project or activity requirement, and are proposed to be used for a different activity, a reprogramming shall be submitted.

Additionally, each request shall include a declaration that, as of the date of the request, none of the funds included in the request have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

ACCRUAL FUNDING OF RETIREMENT COSTS AND POST-RETIREMENT HEALTH BENEFITS

The President's Budget included a legislative proposal under the jurisdiction of the Senate Committee on Governmental Affairs to charge to individual agencies, starting in fiscal year 2003, the fully accrued costs related to retirement benefits of Civil Service Retirement System employees and retiree health benefits for all civilian employees. The Budget also requested an additional dollar amount in each affected discretionary account to cover these accrued costs.

The authorizing committee has not acted on this legislation, therefore the Senate Appropriations Committee has reduced the dollar amounts of the President's request shown in the "Comparative Statement of New Budget Authority Request and Amounts Recommended in the Bill", as well as in other tables in this report, to exclude the accrual funding proposal.

The Committee further notes that administration proposals requiring legislative action by the authorizing committees of Congress are customarily submitted in the budget as separate schedules apart from the regular appropriations requests. Should such a proposal be enacted, a budget amendment formally modifying the President's appropriation request for discretionary funding is subsequently transmitted to the Congress.

The Senate Appropriations Committee joins with the House Appropriations Committee in raising concern that this practice, which has always worked effectively for both Congress and past administrations, was not followed for the accrual funding proposal. In this case, the Office of Management and Budget (OMB) decided to include accrual amounts in the original discretionary appropriations language request. These amounts are based on legislation that has yet to be considered and approved by the appropriate committees of Congress. This led to numerous misunderstandings both inside and outside of Congress of what was the "true" President's budget request. The Committee believes that, in the future, OMB should follow long-established procedures with respect to discretionary spending proposals that require legislative action.

AGENCY FEES FOR FECA ADMINISTRATION

The President's budget included a legislative proposal under the jurisdiction of the Senate Committee on Health, Education, Labor, and Pensions to charge individual agencies, starting in fiscal year 2003, the administrative cost of the Federal Employees' Compensation Act (FECA) program. Currently Federal agencies are budgeted for and billed each year for monetary and medical benefits that have been paid to their employees under FECA, while the program's discretionary administrative costs are financed in the Department of Labor (DOL).

The authorizing committee has not acted on this legislation; therefore, the Senate Appropriations Committee will continue to fund this administrative cost through the Department of Labor, Employment Standards Administration Salaries and Expenses Account.

TITLE I—DEPARTMENT OF THE TREASURY

HOMELAND SECURITY AND THE FUTURE OF TREASURY LAW ENFORCEMENT

The tragic events of September 11, 2001 brought clearly into focus the need for a significant restructuring of Executive Branch agencies to provide a more cohesive and integrated delivery of services and protection for the American people. Numerous Government and private sector studies had recommended over the years that functions such as border security, currently spread between a number of Federal departments, be consolidated within a single department.

After appointing Governor Tom Ridge to the post of Assistant to the President and Director of Homeland Security, a function funded in this bill, President Bush resisted calls by Members of Congress of both parties to allow his new Director to testify before the Congress. Additionally, until recently, he opposed the suggestions by many in Congress that a new Department of Homeland Security needed to be formed to address future threats to the Nation's security.

On June 6, 2002 the President announced his intention to create the Department of Homeland Security so eagerly sought by many on the Hill. The Committee applauds the President for his vision and looks forward to working with him and the appropriate authorizing committees on the creation of this new department as well as to the smooth transition to the consolidation of its many parts.

Regarding the affected agencies under jurisdiction of this subcommittee, we note that both the Customs Service and the Secret Service would be transferred from the Department of the Treasury to the new Department of Homeland Security under the President's proposal. Both agencies have long and proud traditions within the Department of the Treasury. The Customs Service was created in 1789 and has had a dual function as both a revenue raiser as well as a border protector. The Secret Service was created by President Lincoln to protect the Nation's currency and only gained its role as official protector of the President after the assassination of President McKinley.

While not attempting to "second guess" the recommendation to move these agencies to the new department, the proposal significantly reduces the Department of the Treasury's law enforcement function and requires the consideration that perhaps other Treasury law enforcement agencies should also be housed within the new department. The Committee is concerned that the Department of the Treasury's traditional treatment of its law enforcement components as second class citizens may only become aggravated by the proposed recommendations. The Committee is committed to ensuring that those agencies remaining within the Department of the

Treasury receive the full support at the departmental level that they so richly deserve and urges the Department to make their critical law enforcement functions a priority in budgetary and other matters.

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

Appropriations, 2002	\$177,142,000
Budget estimate, 2003	191,914,000
Committee recommendation	195,100,000

The Committee recommends an appropriation of \$195,100,000 for salaries and expenses for departmental offices of the Department of the Treasury, which is \$3,186,000 above the President's request. The increase above the President's request includes \$1,213,000 for pay parity, and \$2,000,000 for counterfeit currency technology.

The Departmental Offices function in the Department of the Treasury is to provide basic support to the Secretary of the Treasury, who is the chief operating executive of the Department. The Secretary of the Treasury maintains the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing United States domestic and international economic and tax policy; fiscal policy; governing the fiscal operations of the Government; maintaining foreign assets control; managing the public debt; overseeing major law enforcement functions carried out by the Department of the Treasury; managing development financial policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury's overseas operations; and directing the administrative operations of the Department of the Treasury.

In support of the Secretary, the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international financial, investment, tax, economic, trade and financial operations and general fiscal policy. This appropriation also provides resources for administrative support to the Secretary and policy components, and coordination of Departmental administrative policies in financial and personnel management, procurement operations, and automated information systems and telecommunications.

Economic Policies and Programs.—The function of the Economic Policies and Programs Activity is to advise the Secretary and Deputy Secretary in economic areas such as: (1) monitors macro- and micro-economic developments and assists in determining appropriate economic policies; collects and analyzes data pertaining to international portfolio investment and foreign exchange positions; develops an overall appraisal of the current state of, and outlook for the economy; provides written and oral briefing materials for the Secretary, other officials, and outsiders; participates in inter-agency groups working on economic matters to develop and maintain a coordinated and consistent government-wide economic program; and (2) the formulation and execution of U.S. international

economic and financial policies regarding a wide range of international development and analysis functions involving: trade and investment, energy policy, monetary affairs, development financing, and general economic research into international financial issues. The Office of International Affairs works closely with other Federal agencies and international financial institutions, and coordinates international financial and macro-economic policy with the National Economic Council (Annual Economic Summit), the National Security Council, the Council of Economic Advisors, the Office of Management and Budget (foreign country risk review), the United States Trade Representative (financial services, investment, etc.), and all components of the Executive Office of the President. Under Presidential Executive Order, the Office of International Affairs participates with the Department of State in the collection and analysis of economic information on foreign countries. In the areas of international monetary and foreign exchange policy, the Office of International Affairs shares responsibility with the Federal Reserve (principally, the Board of Governors, but also the Federal Reserve Bank of New York) in working closely with the International Monetary Fund. In the area of international development, the Office of International Affairs formulates resource needs, notably U.S. contributions, policies and programs for various Multilateral Development Banks. With the Export-Import Bank, the Office of International Affairs has responsibility for export credit finance. This activity includes the Office of the Assistant Secretary (Economic Policy), the immediate offices of the Under Secretary (International Affairs), the Assistant Secretary (International Affairs) and the Office of International Affairs.

Financial Policies and Programs.—The function of the Financial Policies and Programs Activity is to advise the Secretary and Deputy Secretary in areas of domestic finance, banking, fiscal policy and operations, and other related financial matters, including development of policies and guidance in the areas of financial institutions, Federal debt finance, financial regulation, and capital markets. Specifically, this activity ensures that the management of the Federal Government's cash minimizes risk and strikes a balance between cash needs and short-term investments. This activity provides decision makers and stakeholders with: (1) timely, concise and thorough policies, guidance and analysis in the areas of: financial institutions, financial regulation, the equitable and efficient delivery of financial services, the availability of credit, financial crimes, Federal debt finance, capital markets, the privatization of government assets, and any other issues related to domestic finance and financial services; and (2) recommendations regarding the development and implementation of tax policies and programs; official estimates of all Government receipts for the President's Budget, fiscal policy decisions, and cash management decisions; policy criteria reflected in regulations and rulings to implement the Internal Revenue Code; negotiation of tax treaties for the United States; and provides economic and legal policy analysis for domestic and international tax policy decisions. This activity includes the immediate office of the Under Secretary (Domestic Finance), the Assistant Secretary (Financial Institutions), the Assistant Secretary (Financial Markets), the Fiscal Assistant Secretary, and the

Deputy Assistant Secretary for Community Development Policy and the Assistant Secretary (Tax Policy).

Enforcement Policies and Programs.—The function of the Enforcement Policies and Programs activity is to provide policy development, guidance and coordination to Treasury's law enforcement entities to combat money laundering and other financial crime, interdict illegal drugs, reduce violent crime, protect our nation's leaders, and provide quality training for enforcement personnel. Responsibilities include: (1) providing Departmental oversight and supervision of U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, Financial Crimes Enforcement Network, Bureau of Alcohol, Tobacco, and Firearms, and Executive Office of Asset Forfeiture; and (2) negotiating international agreements on behalf of the Secretary to engage in joint law enforcement operations for the exchange of financial information and records. The Office of Enforcement administers economic sanctions against selective foreign countries, international narcotics traffickers and international terrorists in furtherance of U.S. foreign policy and national security goals. This activity includes the immediate offices of the Under Secretary for Enforcement and the Assistant Secretary (Enforcement), including the Office of Foreign Assets Control.

Treasury-wide Management Policies and Programs.—The Treasury-wide Management Policies and Programs Activity provides policy advice on matters involving the internal management of the Department and its bureaus; coinage and currency production and security; the sale and retention of savings bonds; financial management, information systems, security, property management, human resources, procurement and contracting, strategic planning; and customer service. This activity is responsible for implementing the functions of the Chief Financial Officer (CFO), the Government Performance Results Act (GPRA), and the Information Technology Management Reform Act which includes efficient and effective use of the Treasury's resources. This activity includes the Office of the Assistant Secretary (Management) and Chief Financial Officer and the Treasurer of the United States.

Treasury-wide Financial Statement Audit.—This activity has responsibility for contracting and funding all financial statement audit work that will be done by the Office of the Inspector General (OIG). The OIG would streamline the process, provide costs savings and accountability for getting these audits done, and ensure timeliness and consistency of financial statement audits in the Department. The audits would include those of the Customs Service, the Financial Management Service, the Bureau of Public Debt, the Federal Financing Board, the Bureau of Alcohol, Tobacco, and Firearms, the Community Development Financial Institutions, and the Departmental Offices.

TREASURY FRANCHISE FUND

The Committee recognizes the success of Treasury's efforts to improve the quality and lower the cost of financial and administrative services. Accordingly, the need to have continuity in service delivery to current customers and to continuously improve operations and achieve further efficiencies in administrative support functions requires a permanent footing. Therefore, the Committee has in-

cluded a new provision to permanently extend the Treasury Franchise Fund.

COUNTERFEIT CURRENCY TECHNOLOGY

The Committee notes that the war on terrorism and the war on drugs have demonstrated the importance of tracking the flows of currency. The Department of the Treasury has several offices that track, target, and block the financial transactions and assets of terrorists, narcotics traffickers, foreign countries, and others that pose a threat to our national security and economy, as well as offices that work with domestic and foreign financial markets. The Department of the Treasury, working in conjunction with the Department of State, the Department of Justice, and other agencies has been able to identify terrorist groups that may be funding possible actions against the United States at home and abroad. In order to better serve these critical missions, the Committee has included \$2,000,000 for the Secretary to create a grant program, the goals of which will be to provide for a demonstration project that will test the utility of using new technologies to help identify the size of the universe of counterfeit currency and better understand the circulation patterns of currency. The Committee believes that such a demonstration project will allow for the assessment of the utility of such technology to law enforcement, counter-terrorism, narcotics interdiction, and other homeland security activities.

CHICAGO POLICE DEPARTMENT CLEAR PROGRAM

The Committee is aware of an innovative program, created by the Chicago Police Department, designed to partner with the Department of the Treasury to implement improved information sharing between criminal justice agencies at the local, state, and Federal level—Citizen/Law Enforcement Analysis and Reporting (CLEAR). In addition to violent crimes, the CLEAR program will address financial and drug crimes, as well as other law enforcement functions under the jurisdiction of the Department and its related agencies. The Committee directs the Department to work with the Chicago Police Department to further develop and implement this important program and has included \$150,000, from within existing funds, for this project.

OFFICE OF FOREIGN ASSETS CONTROL

The Committee provides that the Office of Foreign Assets Control (OFAC) be funded at no less than \$21,206,000. The Committee is encouraged by the level of funding detail offered by Treasury in its budget justifications for its Enforcement programs, and regards this as an assurance that OFAC's direct costs will be properly covered as shown, and that administrative overhead resources are fairly allocated. The Committee requests that similar explanatory tables be provided in future justifications.

The Committee understands that license applications submitted to agencies at other departments, such as the Department of Commerce, are resolved in a reasonable period of time. The Committee believes that all license applications submitted to OFAC should be

resolved expeditiously, but in no case no later than 90 calendar days after receipt of the completed license application.

The Committee has included a new general provision directing OFAC, whenever it decides to deny a license application, to notify the applicant of the denial in writing. The notification shall include:

- (1) The statutory and regulatory basis for the denial;
- (2) To the extent consistent with the national security of the United States, the specific considerations that led to the decision to deny the license application;
- (3) What, if any, modification or restrictions to the license application would allow OFAC to reconsider the license application;
- (4) The name, phone number and e-mail address of the OFAC representative in a position to discuss the issues with the applicant.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

Appropriations, 2002	\$68,828,000
Budget estimate, 2003	68,828,000
Committee recommendation	68,828,000

The Committee has provided a total of \$68,828,000. The 1997 Treasury and General Government Appropriations Act established this account which is authorized to be used by or on behalf of Treasury bureaus, at the Secretary's discretion, to modernize business processes and increase efficiency through technology investments, as well as other activities that involve more than one Treasury bureau or Treasury's interface with other governmental agencies.

The Committee has been made aware of the inadequate funding requested by the Department of the Treasury for the projects under this program for the past couple of years. The Committee is also aware of the importance of the timelines for completion of these projects. The Committee urges the Department to provide the necessary funding in fiscal year 2004 to avoid delays and potential cost overruns for these projects.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2002	\$35,424,000
Budget estimate, 2003	35,428,000
Committee recommendation	35,736,000

The Committee recommends an appropriation of \$35,736,000 for salaries and expenses of the Office of the Inspector General (OIG). The Committee supports the creation of an official representational account and provides \$2,500 out of existing funds for that purpose. The increase above the President's request is for pay parity.

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste and abuse in Departmental programs and operations; and (2) keep the Secretary and the Congress fully and currently informed of problems and deficiencies in the administration of Departmental programs and operations. The audit

function provides program audit, contract audit and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and audit all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department, including assessing the Department's implementation of the Government Performance and Results Act (GPRA). The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. This appropriation also provides for the oversight of internal investigations made by the Office of Internal Affairs and Inspection in the Bureau of Alcohol, Tobacco and Firearms, the Customs Service, and the Secret Service.

The Inspectors General Auditor Training Institute provides the necessary facilities, equipment, and support services for conducting auditor training for the Federal Government Inspector General community. The Office of the Inspector General is the parent organization for this entity, although program and financing data is reported under the Treasury Franchise fund (effective in 1999).

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Appropriations, 2002	\$125,778,000
Budget estimate, 2003	123,962,000
Committee recommendation	125,011,000

The Committee recommends an appropriation of \$125,011,000. The increase above the President's request is for pay parity.

The Treasury Inspector General for Tax Administration (TIGTA) conducts audits, investigations, and evaluations to assess the operations and programs of the Internal Revenue Service (IRS) and Related Entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient and effective administration of the nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and the Congress fully and currently informed of these issues and the progress made in resolving them. TIGTA reviews existing and proposed legislation and regulations relating to the programs and operations of the IRS and Related Entities and makes recommendations concerning the impact of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the IRS and Related Entities. The audit function provides program audit, contract audit and financial statement audit services. Program audits review and audit all facets of IRS and Related Entities. Contract audits provide professional advice to IRS contracting officials on accounting and financial matters

relative to negotiation, award, administration, repricing, and settlement of contracts. The evaluations function reviews program performance and issues critical to the mission of the IRS. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and Related Entities against external attempts to corrupt or threaten their employees.

The Treasury Inspector General for Tax Administration was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105–206). Funding was first appropriated for this account in the fiscal year 2000 Treasury and General Government Appropriations Act (Public Law 106–58).

AIR TRANSPORTATION STABILIZATION PROGRAM

Appropriations, 2002	
Budget estimate, 2003	\$6,041,000
Committee recommendation	6,041,000

The Air Transportation Stabilization Board was authorized in the Air Transportation Safety and Stabilization Act to issue \$10 billion of Federal Credit instruments to air carriers. The purpose is “to compensate air carriers for losses incurred by the air carriers as a result of the terrorist attacks on the United States that occurred on September 11, 2001,” providing among other criteria, that “such agreement is a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States.”

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

Appropriations, 2002	\$28,932,000
Budget estimate, 2003	32,932,000
Committee recommendation	32,932,000

The Committee recommends an appropriation of \$32,932,000 for the repair and restoration of the Treasury Building and Annex. This appropriation funds repairs and selected improvements to maintain the Main Treasury and Annex buildings. This recommendation is \$4,000,000 above the fiscal year 2002 level and equal to the budget estimate.

FINANCIAL CRIMES ENFORCEMENT NETWORK

Appropriations, 2002	\$47,537,000
Budget estimate, 2003	50,517,000
Committee recommendation	50,825,000

The Committee recommends an appropriation of \$50,825,000 for the Financial Crimes Enforcement Network (FinCEN), which is \$308,000 above the President’s request. The increase above the President’s request is for pay parity.

FinCEN, created in 1990 and elevated to bureau status in 2001, supports law enforcement investigations to prevent and detect money laundering and other financial crimes. FinCEN’s network links law enforcement, financial, and regulatory communities into a single information-sharing network. Using Bank Secrecy Act (BSA) information reported by banks and other financial institutions, FinCEN serves as the nation’s central clearinghouse for

broad-based financial intelligence and information sharing on money laundering. This information helps illuminate the financial trail for investigators to follow as they track criminals and their assets.

Investigative Analysis, Regulatory, and International Activities.—Through investigative analysis efforts, FinCEN provides support for the investigation and prosecution of law enforcement cases at the Federal, State, local and international levels, using financial data collected under the BSA, as well as other commercial and law enforcement information. FinCEN serves as a catalyst for research, analysis, and dissemination of information on money laundering methods and trends through joint case analysis with law enforcement, integration of all source information and the application of state-of-the-art data processing techniques. In the regulatory area, FinCEN establishes policies to administer the BSA effectively while balancing the associated burden imposed on the regulated financial institutions. Internationally, FinCEN maintains in-depth, country-specific expertise concerning money laundering and other financial crimes around the world to assist decision makers in developing and promoting U.S. government anti-money laundering policies. FinCEN also uses this expertise to promote the development of Financial Intelligence Units (FIUs) in other countries, and to facilitate investigative exchanges with them.

Money Services Business (MSB) Regulatory Program.—This program supports new requirements to strengthen anti-money laundering controls within the money services business industry. The term ‘MSB’ is used to define over 200,000 entities that act as money transmitters, issuers, redeemers and sellers of money orders and travelers checks, check cashers and currency exchanges. This largely unregulated industry is required to register with the Department of the Treasury by June 30, 2002. The Department of the Treasury has also issued a final regulation that, for the first time, extends suspicious activity reporting requirements to money transmitter, travelers check, and money order segments of the industry in 2002. In order to properly implement these regulations, FinCEN has undertaken a major public outreach project that is designed to identify and educate members of the money service business industry concerning the requirements of these new regulations.

USA Patriot Act.—FinCEN is responsible for implementing 23 of the 44 provisions contained in Title III of the USA Patriot Act, which provides new authorities and opportunities to support law enforcement investigative efforts and foster interagency cooperation against domestic and international financial crime. FinCEN also has a key role in many of the working groups established by the Department of the Treasury to address the other provisions. These responsibilities include developing regulatory programs to meet many of the provisions, establishing a highly secure network for electronic filing of Bank Secrecy Act reports, strengthening cooperation between financial institutions and the law enforcement communities, and enhancing strategic analysis in areas such as alternate remittances systems.

TREASURY FORFEITURE FUND

The Treasury forfeiture fund was established on October 1, 1993, in Public Law 102–393. It is available to pay or reimburse certain costs and expenses related to seizures and forfeitures that occur pursuant to the Treasury Department’s law enforcement activities. It has two accounts, one which is funded through permanent indefinite authority and the other which is funded through a direct annual appropriation. The direct appropriation represents the annual congressional limitation on the use of the proceeds from seized and forfeited assets. Forfeited cash and the proceeds of forfeited monetary instruments are deposited into the fund. Proceeds from the sale of other seized and forfeited assets are also deposited into the fund.

EXPANDED ACCESS TO FINANCIAL SERVICES

Appropriations, 2002	\$2,000,000
Budget estimate, 2003	2,000,000
Committee recommendation	2,000,000

The Committee has provided \$2,000,000 for Expanded Access to Financial Services. The account continues funding to develop and implement a program to expand access to financial services to low- and moderate-income individuals who do not currently utilize bank accounts or other financial service opportunities. The Department of Treasury will develop and assist in funding private sector provision of low-cost electronic accounts and access to ATMs as a way of encouraging greater efficiency and access to the financial service system; conduct research on the financial services needs of low- and moderate-income persons; and assist in funding financial education for low- and moderate-income individuals.

The Committee recommends that funds be obligated to continue the two projects initiated in fiscal year 2001. The Committee also urges the Department to work with, and consider an application for a project under this account from, the Passaic County (New Jersey) Legal Aid Society.

COUNTERTERRORISM FUND

Appropriations, 2002	\$40,000,000
Budget estimate, 2003	40,000,000
Committee recommendation	40,000,000

The Committee has provided \$40,000,000 for the Counterterrorism Fund, which is equal to the budget estimate. These funds are provided for responding to unforeseen emergencies not budgeted for in the regular process. These funds are to be made available upon the advance approval of the Committees on Appropriations.

The Counterterrorism Fund is designed to cover unanticipated costs associated with: (1) providing support to counter, investigate, or prosecute domestic or international terrorism, including payment of rewards in connection with these activities; and (2) re-establishing the operational capability of an office, facility or other property damaged or destroyed as a result of any domestic or international terrorist incident. Treasury bureaus have important counterterrorism responsibilities including: protecting the President; designing and implementing security at National Special Se-

curity Events; investigating arson, explosives and firearms incidents; conducting financial investigations relating to terrorism; preventing weapons of mass destruction from entering our country; and implementing sanctions against terrorist organizations. Funds would be reimbursed to Treasury bureaus of departmental offices to compensate for costs incurred in areas such as travel, transportation, rentals and communications, print and graphics, other services, supplies, equipment, and unvouchered funds.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriations, 2002	\$128,680,000
Budget estimate, 2003	122,393,000
Committee recommendation	126,441,000

The Committee recommends an appropriation of \$126,441,000 for salaries and expenses of the Federal Law Enforcement Training Center (FLETC), an increase of \$4,048,000 above the President's request including \$621,000 for pay parity.

FLETC provides the necessary facilities, equipment, and support services for conducting recruit, advanced, specialized, and refresher training for Federal law enforcement personnel. FLETC personnel conduct the instructional programs for the basic recruit and some of the advanced training. This appropriation is for operating expenses of FLETC, for research in law enforcement training methods, and curriculum content. In addition, FLETC has a reimbursable program to accommodate the training requirements of various Federal agencies. As funds are available, law enforcement training is provided to certain State, local, and foreign law enforcement personnel on a space-available basis.

The Committee has included funding to ensure that FLETC can meet the demands of agencies for training their personnel as they continue to hire additional personnel.

The Committee has again included a general provision (section 615) to permit FLETC to acquire the temporary use of additional training facilities without seeking the advance approval otherwise required by that section.

OFF-CAMPUS TRAINING

The Committee continues to support the FLETC mission to provide basic technical assistance to State and local law enforcement agencies. Therefore, the Committee provides funding for the travel expenses of non-Federal personnel to attend course development meetings and training. In addition, the Committee continues to authorize FLETC to obtain temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities. In making these decisions, the Committee believes every consideration should be given to providing training in the most cost effective manner.

RURAL LAW ENFORCEMENT EDUCATION

The Committee recognizes the successful collaboration between the National Center for State and Local Training at FLETC and the Minot State University (MSU) Rural Crime and Justice Center

to expand the Small Town and Rural Law Enforcement training series in the Northern Plains States and for related rural law enforcement research. The validated success of this collaboration at a regional level leads the Committee to conclude that the project should be expanded and conducted on a nationwide basis. Empirical research findings from the Northern Plains project have indicated that evaluation of rural law enforcement training results in higher quality and more relevant training practices, significantly changing how rural law enforcement officers perform their official duties. The Committee recognizes that it is not unusual to have only one law enforcement officer in a rural area, which underscores the significance of the training and evaluation, and the need to expand the program nationwide. In addition to funding included in the base, the Committee has provided \$1,500,000 to the national center and \$1,500,000 for MSU to expand on the current program and conduct the research and evaluative component of this national initiative.

LAW ENFORCEMENT VEHICLE PURSUIT TRAINING

The Committee recognizes the importance of evaluating the effectiveness of the vehicle pursuit training program that FLETC has conducted nationwide with law enforcement executives. To conduct this assessment, the Committee has included an additional \$500,000 to FLETC for the Minot State University Rural Crime and Justice Center to provide a comprehensive evaluation/assessment of the effectiveness of the training and to provide recommendations for curriculum revision, training delivery methods, and program policy modifications.

FEDERAL AIR MARSHAL TRAINING

The Committee commends the men and women of the Federal Law Enforcement Training Center for their outstanding service to the nation, the law enforcement community and the traveling public. Immediately following the tragic terrorist attacks of September 11, 2001, FLETC and the Federal Aviation Administration (FAA) collaborated to meet the challenge of training large numbers of Federal Air Marshals to protect the United States aviation industry on an expedited basis.

Only weeks after the attacks, FLETC in Artesia, New Mexico, and Glynco, Georgia, began training large numbers of newly hired law enforcement officers for deployment as air marshals. FLETC augmented its excellent facilities in Artesia for this new training, which included operational commercial aircraft fuselages to provide realistic training environments. Through FLETC, the United States rapidly marshaled critical resources from across government to meet the urgent need for airline security. The Committee applauds this exceptional effort by FLETC and the Federal Air Marshals.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriations, 2002	\$41,934,000
Budget estimate, 2003	23,329,000
Committee recommendation	40,009,000

The Committee recommends an appropriation of \$40,009,000 for acquisition, construction, improvements, equipment, furnishings and related costs for expansion and maintenance of facilities of the Federal Law Enforcement Training Center (FLETC).

The Committee was disappointed that the fiscal year 2003 budget request did not include additional funding for needed construction at the FLETC facilities in Glynco, Georgia and Artesia, New Mexico. While the Committee understands that the Master Plan is undergoing review, Federal law enforcement training needs have significantly increased since September 11, 2001. With new requirements placed upon FLETC to train Federal air marshals and additional law enforcement personnel necessary for homeland security, the budget falls well short of meeting immediate needs to support these efforts. The Committee therefore believes that it is incumbent upon the Department of the Treasury and the Federal Law Enforcement Training Center to move expeditiously to determine the long-range needs of both campus locations and to take all necessary steps to find the funding to begin addressing these needs. To that end, the Committee has provided \$6,900,000 for a steam distribution system, \$680,000 for new building support, and \$400,000 for security upgrades at the Glynco, Georgia campus and \$4,200,000 for a new classroom and \$4,500,000 for an indoor firearms training range at the Artesia, New Mexico campus.

INTERAGENCY LAW ENFORCEMENT

Appropriations, 2002	\$107,576,000
Budget estimate, 2003	107,576,000
Committee recommendation	108,532,000

The Committee recommends an appropriation of \$108,532,000 for interagency law enforcement. The increase above the President's request is for pay parity.

In a 1982 counterdrug effort, the Department of Justice (DOJ) developed the Interagency Crime and Drug Enforcement Task Force (ICDE) program to bring together and integrate the efforts of all levels of law enforcement in the fight against drugs. The ICDE program designated nine domestic regions that deploy the investigative expertise from 10 Federal agencies, and State and local law enforcement agencies to dismantle and disrupt major drug trafficking and money laundering organizations and place offenders in jail. Treasury agencies provide specific value-added investigative expertise to these major cases. The U.S. Customs Service provides specific expertise in international smuggling and interdiction; the Bureau of Alcohol, Tobacco and Firearms (ATF) provides expertise on firearms and explosives violence; and the Internal Revenue Service (Criminal Investigative Division) provides expertise on money laundering and tax evasion. Since 1998, the Treasury portion of the ICDE program has been administered by Treasury's Departmental Offices. Treasury's participating bureaus, ATF, Customs, and IRS, are reimbursed from this appropriation. Treasury has assigned two special agents to oversee ICDE policy and budget for the three Treasury bureaus. Funding for Treasury components is primarily utilized for full-time equivalent employees; however, a portion of funding is used for operating expenses incurred during the investigative phase of the case.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2002	\$212,850,000
Budget estimate, 2003	220,712,000
Committee recommendation	222,078,000

The Committee recommends an appropriation of \$222,078,000 for salaries and expenses for the Financial Management Service (FMS) in fiscal year 2003. The increase above the President's request is for pay parity.

Payments.—FMS implements payment policy and procedures for the Federal Government, issues and distributes payments, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer (EFT). The control and financial integrity of the Federal payments and collections process includes reconciliation, accounting, and claims activities. The claims activity settles claims against the United States resulting from Government checks which have been forged, lost, stolen, or destroyed, and collects monies from those parties liable for fraudulent or otherwise improper negotiation of Government checks.

Collections.—FMS implements collections policy, regulations, standards, and procedures for the Federal Government, facilitates collections, promotes the use of electronics in the collections process, and assists agencies in converting collections from paper to electronic media.

Debt Collection.—FMS provides debt collection operational services to client agencies which includes collection of delinquent accounts, offset of Federal payments against debts owed the Government, post-judgment enforcement, consolidation of information reported to credit bureaus, reporting for discharged debts or vendor payments, and disposition of foreclosed property.

Government-wide Accounting and Reporting.—FMS also provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by generating a series of daily, monthly, quarterly and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

Appropriations, 2002	\$854,747,000
Budget estimate, 2003	883,775,000
Committee recommendation	899,753,000

The Committee recommends an appropriation of \$899,753,000 for salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms (ATF), an increase of \$15,978,000 above the President's request, which includes \$5,323,000 for pay parity and \$10,000,000 for an explosives enforcement initiative.

The ATF has three major strategic goals: (1) effectively contribute to a safer America by reducing the future number and cost of violent crimes; (2) maintain a sound revenue management and

regulatory system that continues reducing payer burden, improving service, collecting revenue due, and preventing illegal diversion; and (3) protect the public and prevent consumer deception in ATF's regulated commodities. To achieve these goals, ATF enforces the Federal laws and regulations relating to alcohol, tobacco, firearms, explosives, and arson by working directly and in cooperation with others.

FEDERAL ALCOHOL ADMINISTRATION ACT

The Committee recognizes alcoholic beverages as among the most socially sensitive commodities marketed in the United States. In this connection, marketing, labeling, and advertising of alcoholic beverages must be accomplished in an environment which fosters fair and healthy competition while protecting the interests of the American consumer. The Committee expects that there be no diminution of regulatory and oversight functions in fiscal year 2003.

ARMED CAREER CRIMINAL APPREHENSION PROGRAM

The Armed Career Criminal Act, signed into law in 1984 and expanded by the Anti-Drug Abuse Act of 1986, provides mandatory sentences for certain violent repeat offenders who carry firearms. The Bureau, given its jurisdiction over firearms laws, has a unique opportunity to effect the apprehension of violent offenders. The success to date of the Bureau's Repeat Offender Program has surpassed initial expectations regarding apprehension, prosecution, and conviction of career criminals. The Committee notes that 74 percent of the defendants apprehended under this program have had direct involvement in illegal narcotics trafficking.

STAFFING LEVELS IN SMALLER STATES AND RURAL STATES

Over the past several years the number of ATF agents in the smaller States and rural areas have steadily declined, in favor of placing agent resources in larger States with large metropolitan centers. These staffing trends have not always reflected the needs of these areas. The Committee credits the Department for recognizing the need for placing special agents in under-represented rural areas and small and medium-sized States. The Committee urges that ATF follow through on pledges to maintain and increase staffing in under-represented rural, small, and medium-sized States.

GREAT PROGRAM

The Committee provides \$13,000,000 for grants to local law enforcement organizations for the Gang Resistance Education and Training (GREAT) Program. The GREAT program continues to be enthusiastically endorsed by communities in Colorado, North Dakota, and Alaska. The Committee directs ATF to consider providing GREAT funding to the qualified law enforcement and prevention organizations in these areas.

SAFETY AND SECURITY STANDARDS

The Committee is concerned about the apparent lack of safety and security standards for federally licensed firearms dealers.

Guns stolen from licensed gun dealers pose an increasingly significant public safety threat. It is clear that the industry and ATF need to work together to address these problems. Therefore, the Committee directs ATF to make identifying and addressing security recommendations for Federal firearms licensees a priority at the next firearms industry discussion group that convenes.

ACTIVITY ON INDIAN RESERVATIONS

The Committee appreciates ATF's efforts to address the growing problem of gang-related activities on and near Indian reservations. In conjunction with programs and activities provided by the Boys and Girls Clubs of America, ATF has made in-roads in Native communities to reduce gang-related activities by training, seminars, and after-school activities aimed at reducing the number of Native children that are likely participants in gang behavior. The Committee recommends that ATF continue to coordinate the efforts of the Bureau of Indian Affairs (BIA), the Boys and Girls Clubs of America, and private organizations such as the National Native American Law Enforcement Association to expand these activities and develop an inter-agency and inter-disciplinary approach to gang-related activities.

Native American youth often face desperate obstacles in life, such as severe poverty, physical abuse, drug and alcohol abuse, and malnutrition. These same young people are all too often denied access to positive youth programs that are often taken for granted in other areas of all Indian country. The Committee has included \$1,000,000 for grants to the National Congress of American Indians to work with tribes to establish and operate Bureau of Indian Affairs school-based Boys and Girls Clubs in Native American communities nationwide. These Clubs will reach out and serve this most needy population, while helping to preserve their rich culture and share it with other Clubs around the country.

YOUTH CRIME GUN INTERDICTION INITIATIVE

The Committee commends ATF's efforts to reduce firearms violence by investigating illegal trafficking to the youth of this country. The Youth Crime Gun Interdiction Initiative (YCGII) began as a pilot program in 17 cities in 1996 and is currently operating in 50 sites.

The partnership between ATF and local law enforcement agencies in these communities is invaluable to the mutual effort to reduce gun-related crime. The tracing information provided by ATF not only allows local jurisdictions to target scarce resources to investigations likely to achieve results but also gives ATF the raw data to be able to investigate and prosecute the illegal source of these crime guns. The Committee continues to believe that there are significant disruptions in these illegal firearms markets directly due to investigative leads arising from this regional initiative.

EXPLOSIVES ENFORCEMENT GROUPS

The Committee is concerned about the illegal use of explosives and its relation to our homeland security. The Committee is dedi-

cated to protecting and supporting our first responders, the American public, and American institutions from the threat of terrorist violence and the illegal and criminal use of explosives. There are approximately 6 billion pounds of explosives produced in the United States every year. Because of the extremely high and unacceptable risk to public safety from criminal or terrorist theft and misuse of these explosives, the Committee believes that more comprehensive enforcement and regulatory efforts are essential to public safety. Therefore, the Committee has included an additional \$10,000,000 for an explosives enforcement initiative. This funding shall be used to increase the number of agents and inspectors dedicated to enforcing existing Federal explosives laws and regulations. The additional personnel would comprise explosives groups to be located strategically nationwide. These groups shall conduct undercover and surveillance operations into the misuse and trafficking in explosive materials; investigating all bombings of Federal interest throughout the United States; and thoroughly investigating all explosives-related thefts and losses. The Committee directs ATF to provide a detailed spending plan to the Committee on Appropriations prior to the obligation of any funds. The Committee encourages ATF to work with industry in developing this initiative.

EXPLOSIVE DETECTION TRAINING

The Committee appreciates efforts by ATF to make explosive detection training available on request to school districts nationwide. The Committee understands that ATF, in conjunction with the U.S. Department of Education, is developing a CD-ROM training program which will provide a standardized bomb threat management and response template for use by school administrators to develop a customized response program for individual schools. The Committee is pleased by this expanded assistance and encourages continued assistance to schools by ATF field office personnel as they establish and implement these necessary management and response plans.

MANAGEMENT AND TECHNOLOGICAL ENHANCEMENTS

The Committee expects that \$2,500,000 will be used to continue management and technological enhancement at the AFT National Licensing Center, the Imports Branch, and the National Firearms Act Branch (NFA). The Committee notes that ATF has taken some major steps in the right direction:

- substantial progress on information management improvements for data retrieval and reporting for customers of the Firearms, Explosives and Arson Services (FEA) Division;
- increased meeting and other outreach efforts with industry to coordinate policy and operational concerns;
- a firearms importers conference and seminar to be held in the summer of 2002; and
- additional contract assistance retained and directed at FEA's service improvements efforts.

However, the Committee believes that there are critical areas of the plan which have not yet demonstrated improvement over the last 2 years.

The lack of well trained personnel still continues at certain branches. Some additional assistance is particularly needed with regard to specialized staff at the Division level to troubleshoot problems, and manage these significant improvement efforts. Operations personnel cannot be expected to perform these roles and still achieve service improvements, particularly where the operations workload has increased significantly in the last fiscal year due to the processing of import applications for nonimmigrant aliens (NIA).

Performance standards and critical elements for services positions to meet enhanced service goals in the FEA Division have not been finalized, but are still under review. The Committee has received no information that the Division as a whole has established milestones for service improvements, such as specific targets for reductions in current the processing times. The Committee notes that such milestones will have to take into account the addition of the NIA applicant workload.

Communications improvements must continue to be emphasized. In recent years, and more dramatically since new homeland security programs have been initiated, importers and NFA registrants often face inconsistent and confusing policy, law, and technical guidance that frequently changes regarding the importation of firearms, parts, and ammunition. Developments in these areas must be communicated clearly, consistently, and often to the importing and NFA communities. The Committee believes that in addition to use of the FFL newsletters and the ATF web site, a comprehensive and frequently updated guidance handbook designed for both the importing and NFA communities should be published and distributed to these communities as the Committee has recommended for the last 2 years.

ATF efforts cannot be fully achieved without serious coordination efforts, both in technology and policy, with the import and export processes at the Department of State and the U.S. Customs Service. The Committee recommends that ATF seek a working group with these agencies to consult with importers and others on solutions that will enhance the fairness and efficiency of administering or enforcing firearms-related laws by these agencies.

U.S. CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriations, 2002	\$2,471,960,000
Budget estimate, 2003	2,391,952,000
Committee recommendation	2,525,453,000

The Committee recommends an appropriation of \$2,525,453,000 for salaries and expenses of the U.S. Customs Service, an increase of \$53,493,000 above fiscal year 2002 levels and \$133,501,000 above the President's request.

The Committee has included \$15,115,000 for pay parity, an additional \$5,000,000 for forced child labor, an additional \$5,000,000 for expanded intellectual property rights initiatives, \$500,000 for the Vermont World Trade Center, \$2,300,000 for canine curriculum on chemical and biological threats, \$4,000,000 for port technology research and development, \$18,000,000 for the Container Security

Initiative, \$2,000,000 for a bulk currency initiative, and \$750,000 for the Center for Agricultural Policy and Trade Studies.

The United States Customs Service, in partnership with other Federal agencies, is one of the Nation's primary means of border enforcement. Its mission is to ensure that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations.

Commercial.—Commercial activities are all process/business area activities (Trade Compliance, Outbound, and Passenger Processing) which occur prior to a violation being confirmed or acceptance of a referral for investigation. This includes intelligence gathering, targeting, analysis, and examination activities.

Drug and Other Enforcement.—Drug and Other Enforcement activities are process activities which occur after confirmation of a violation or acceptance of a referral for investigation. Also included are enforcement strategies to address enforcement issues which impact more than one process, intelligence activities and investigations of drug and money laundering violations, intelligence activities and investigations related to alleged/suspected violations which are independent of process activities, the air and marine interdiction programs, and radio communications management.

NORTHERN BORDER

The Committee commends the actions of the United States Customs Service insofar as the Customs Service has worked to strengthen America's border with Canada. The Committee also recognizes that the process of strengthening the Northern Border is not complete and that further adjustments in personnel assignments and resource allocations will be necessary. Customs stands at the front line in securing "the longest open border in the world" from potential acts of terrorism and other illegal activity. The Committee is also aware of the vital role Customs performs in supporting America's strong trade relationship with Canada, facilitating over \$350,000,000,000 in trade annually.

The Committee supports full implementation of the 30-point "Smart Border Accord," signed by the United States and Canada in December 2001. The Committee urges Customs to fully implement ongoing initiatives in furtherance of securing the flow of people and goods, hardening our infrastructure, and in sharing mutual enforcement objectives with Canada. Implementation of programs such as pre-clearance of U.S.-bound traffic, "reverse inspections," hardening of remote ports, and expanded information sharing promises increased security and important trade benefits on the Northern Border.

The Committee commends Customs for stationing U.S. Customs officers in Canadian ports to work side by side with Canadian counterparts to target high-risk containers bound for the United States. Additionally, the Committee encourages Customs to expand use of "smart" processing and inspection technologies such as the NEXUS program. This joint United States-Canadian pilot is a dedicated commuter lane system which allows Customs and the Immigration and Naturalization Service to rapidly identify and clear pre-registered frequent travelers. The Committee urges Customs to implement an expansion of the program expeditiously as an inte-

gral part of a layered security framework which both secures our mutual border and facilitates this unique trade relationship.

CONTAINER SECURITY INITIATIVE

The Customs Service announced the creation of the Container Security Initiative (CSI) on January 17, 2002. The CSI is a critical effort to address the need to protect U.S. seaports. This initiative would allow the targeting and screening of potentially dangerous cargo prior to its arrival at U.S. ports. The Committee notes that three major Canadian ports as well as the ports of Rotterdam, Singapore, Antwerp, and Le Havre have all become participants in this initiative. The Committee notes that funds will be provided in the fiscal year 2002 Emergency Supplemental Appropriations bill to begin this initiative. The Committee provides \$18,000,000 to continue this effort. The Committee also urges the Customs Service to continue to evaluate best practices when investigating options for container security as stated in Senate Report 107-156.

REMOTE ADMINISTRATION TECHNOLOGY

The Committee supports ongoing efforts to enhance services at low-volume ports of entry through the use of remote administration technology. The Committee believes the additional security presence and the after-hours travel capabilities will benefit those who live near the affected border crossings. However, to ensure that commercial traffic through these ports is not negatively affected, these enhancements must not result in loss of personnel or reduction of staffed hours at these ports.

STAFFING AND SERVICE LEVELS AT CUSTOMS PORTS OF ENTRY

The Committee continues to believe that the services provided through the Charleston, WV, Customs office are very important to the State of West Virginia and the Nation as a whole. For this reason, the Committee expects the Service to maintain the level of services provided in fiscal year 1996 through fiscal year 2003 at this office.

The Committee continues to believe that the policy of providing part-time and temporary inspectors at the Honolulu International Airport is an effective way to handle the large and increasing volume of passengers arriving and departing this very busy airport in Hawaii. The Committee has again included \$750,000 for part-time and temporary positions in the Honolulu Customs District. This action is intended to enhance and not supplant current staffing levels. Amounts included in this account are sufficient to maintain staffing levels at this airport through fiscal year 2003 at the fiscal year 1997 level.

The Charleston, South Carolina Port (Port) is the fourth largest cargo port in the United States, and the second largest on the East Coast. However, the Port continues to be severely understaffed by Customs and lacks the necessary resources to address the volume of cargo entering the Port yearly. As the volume of cargo traffic at the Port continues to increase, Customs resources and staffing at the Port have fallen behind. The Committee is aware that Customs dedicated to the Port, on a temporary basis, an additional canine

team which resulted in commensurate increases in seizures of contraband. This is concrete evidence that increased staffing at the Port will enhance the mission of the Customs Service at this location, supporting enforcement as well as facilitating the entry of legitimate trade. The Committee recommends that Customs make every effort to provide additional staffing and equipment for use at the Port. The Committee directs that in no case shall the level of Special Agents, Inspectors, Canine Enforcement Officers or other support personnel fall below the 1999 staffing levels at the Port.

The Committee is aware that the Immigration and Naturalization Service has assigned badly needed personnel to New Mexico's major ports of entry at Santa Teresa and Columbus. Similar increases in Customs Service personnel are needed, especially in Santa Teresa which lacks the staff to operate two processing booths throughout the day. The Committee therefore strongly urges the Customs Service to review the staffing situation in Santa Teresa and to approve the addition of four Customs Service personnel to that location. Further, the Committee expects to be kept informed on the status of this review.

Legitimate, as well as illicit, trade and traffic continue to grow in the State of Florida. Customs should give a high priority to funding sufficient inspection personnel at ports of entry in Florida for fiscal year 2003.

Over the years Customs personnel in smaller States as well as rural areas have declined considerably. Problems facing these areas have not necessarily declined, and the Committee urges Customs to continually review its staffing requirements and to consider the allocation to smaller States and rural areas.

The Committee recognizes the importance of full-time staffing at the Pittsburg, New Hampshire port of entry for New Hampshire and the entire New England region. As the only port of entry in New Hampshire, the Committee directs Customs to give a high priority to funding sufficient staffing at the Pittsburg station for fiscal year 2003.

The Committee appreciates the work of the Customs Service to address issues related to the national and economic security of our Nation. As such, the Committee recognizes the significant role that the Customs Service plays in providing essential inspection services to major airports such as Louisville, Kentucky, a major shipment hub which faces acute economic pressure due to tremendous growth year after year. The Committee directs the Customs Service to identify and request resources necessary to address staffing shortfalls at the Louisville Airport, and to work closely with the Regional Airport Authority and the many businesses that rely on this location as a channel for national and international trade.

The U.S. Customs Service is the first line of homeland defense for cargo and ships that enter the Port of Virginia, which consists of the Norfolk International Terminals, the Portsmouth Marine Terminal, and the Newport News Marine Terminal. The Port of Virginia handled 1.3 million 20-foot containers and 1.6 million vessels in 2001. Located near the port are the Norfolk Naval Base, the Norfolk Naval Air Station, the Oceana Naval Air Station, Langley Air Force Base, the U.S. Army Transportation Center at Fort Eustis and Fort Story, and several other critical Department of De-

fense facilities. Because of the unique combination of defense facilities and large volume of international trade, the Port of Virginia is a likely target for terrorism. The Committee directs the Customs Service to conduct an in-depth review the homeland security needs of the Port of Virginia, and report back by March 14, 2003 on the resources necessary and steps they are taking to address those needs.

The Committee recognizes the importance of full-time staffing for the Providence, Rhode Island port of entry. While the volume of cargo entering Rhode Island has increased annually, staffing at the Office of Field Operations in Rhode Island has been operating below full strength. The Committee directs the Customs Service to give high priority to funding sufficient staffing in Rhode Island for fiscal year 2003.

The Committee also recognizes the increased demand for criminal investigative work by the Customs Service in Rhode Island, particularly in the areas of drug smuggling and money laundering investigations. The Committee directs the Customs Service to explore the feasibility of establishing an Office of Investigations in Providence, Rhode Island, including an adequate number of special agents and support staff.

PEACE BRIDGE JOINT BORDER FACILITY

The Committee directs the Commissioner of the U.S. Customs Service, in consultation with the Commissioner of the Immigration and Naturalization Service and the Office of Homeland Security, to submit to the Committee on Appropriations a report, within 180 days of enactment, that details how a joint United States/Canadian border inspection facility could be established on the Canadian side of the Peace Bridge in Fort Erie, Ontario. In formulating this report, the Commission shall consult with the Canadian Government, the Buffalo and Fort Erie Public Bridge Authority, and the City of Buffalo, New York. The report shall consider how such a joint facility could maximize the security and efficiency of the Peace Bridge Expansion project, which is currently being developed by the Buffalo and Fort Erie Public Bridge Authority. The report shall also include preliminary recommendations for such a joint or shared United States/Canadian facility and identify any United States or Canadian statutes or regulations that would need to be altered in order to establish such a facility.

TECHNOLOGY RESEARCH AND DEVELOPMENT

The Committee has provided \$4,000,000 to the U.S. Customs Service for the establishment of a pilot program to evaluate and prototype next-generation technology to screen and detect contraband, explosives, chemical and biological weapons, and radioactive materials at the Nation's larger ports including, but not limited to, the Port of Charleston, South Carolina. The Committee is aware of proven technology and security standards currently being employed by the Department of Defense Total Asset Visibility Network and encourages Customs to evaluate such best practices when investigating options for this project. In particular, Customs shall: (a) evaluate screening technology including, but not limited to, machinery that does not require human evaluation and analysis; and

(b) work with agencies like the Departments of Energy and Defense to evaluate technology to facilitate the placement of radiation detection to maximize the ability to effectively detect Nuclear, Biological, and Chemical (NBC) threats. Customs shall report to the Committee on Appropriations no later than 120 days after the enactment of this legislation on its progress in implementing this program.

VEHICLE AND CARGO INSPECTION SYSTEM

The Committee has been responsive to the needs of the Customs Service for new technology and equipment to improve the inspection of traffic across both the Northern and Southwest Borders. One example is the use of the Vehicle and Cargo Inspection System (VACIS) technology which is a non-intrusive inspection technology used to scan vehicles, primarily trucks, and cargo containers. A new VACIS system has been developed to scan rail cars and has been installed along the Southwest Border for deployment.

An additional technology of interest to law enforcement agencies is the Weigh-In-Motion or WIM system, which can weigh commercial traffic as it passes through ports of entry. New Mexico State University's Physical Science Lab has WIM under development and has established the Santa Teresa Border Technology Deployment Center to test such technologies. The Committee strongly believes that the Customs Service should work jointly with the New Mexico State University Physical Science Lab to test the effectiveness of this technology at an operating port of entry.

VERMONT WORLD TRADE OFFICE

Vermont continues to develop a large market in international trade. Forty percent of Vermont companies, which employ approximately 70,000 individuals, are engaged in exports. In 1995, the State of Vermont created the Vermont World Trade Office to provide technical assistance to businesses and information on foreign trade opportunities. The Office has received overwhelming numbers of requests from companies interested in exploring international trade opportunities. To meet this demand, the Vermont World Trade Office hopes to open satellite offices and expand service for its clients. The Committee includes \$500,000 to continue the partnership with the Vermont World Trade Office in furtherance of promoting foreign trade.

CUSTOMS INTEGRITY AWARENESS PROGRAM (CIAP)

The Committee continues its strong support for the Customs integrity awareness program. This program, begun in fiscal year 2000, is to improve hiring methodologies to ensure that applicants are of the highest quality and integrity, and to improve the recruitment process. The funding provided allows Customs to conduct polygraph examinations for candidates applying for positions which are most susceptible to corruption. The Committee encourages the Commissioner to continue efforts to improve the integrity measures of the Customs Service.

CHILD PORNOGRAPHY

The Committee directs the Customs Service to continue providing \$100,000 of available funds to promote public awareness for the child pornography tipline, including ongoing efforts to make children aware of the tipline, in fiscal year 2003. The Committee recommends that the Customs Service continue to coordinate this promotional effort with the National Center for Missing and Exploited Children and the U.S. Postal Service to ensure that the publicity is diversified and effective. The Committee fully supports Customs' work in battling child pornography and is impressed with the successes Customs has had given the limited resources.

FORCED AND INDENTURED CHILD LABOR

The Committee is pleased with the continued work of Customs regarding enforcement of section 307 of the Tariff Act of 1930 as it relates to forced and indentured child labor. The Committee believes that continued focus on enforcement of the ban on importation of goods made by forced child labor is critical, and that Customs needs to continue this effort through aggressive investigation and enforcement of the applicable laws. The Committee has provided an additional \$5,000,000 and expects to receive an expenditure plan prior to the obligation of funds.

INTELLECTUAL PROPERTY RIGHTS INITIATIVE

The Committee commends Customs for continuing to focus on Intellectual Property Rights violations even while it serves as America's frontline and performs critical homeland security duties. Intellectual Property Rights violation cost American businesses millions in lost revenue annually. Since its establishment in early calendar year 2002, the National Intellectual Property Rights Coordination Center, led by Customs in collaboration with the Federal Bureau of Investigation, has provided critical leadership for both domestic and international efforts. Through outreach, training, symposia, and aggressive investigations, the Center is protecting citizens from economic and other adverse impacts of counterfeit merchandise. The Committee directs Customs to aggressively continue these efforts and provides an additional \$5,000,000 for domestic and international programs, staffing, as well as continued operation of the Coordination Center.

CENTER FOR AGRICULTURAL POLICY AND TRADE STUDIES

The volume of trade along the Northern border has increased dramatically in the last decade as a result of a number of free trade agreements. Implementation of World Trade Organization (WTO) policies will also have a significant impact on the Northern Border, particularly in the Northern Plains region. The Committee recognized the importance of this growth in trade and provided funds in fiscal years 2000, 2001, and 2002 to conduct research on the bilateral trade of agricultural commodities and products under the Canada-United States Trade Agreement. This research is being conducted at the Center for Agricultural Policy and Trade Studies located at North Dakota State University.

The primary purpose of this research program is to analyze a wide range of agricultural and trade policy issues for agricultural products, agribusiness firms, and the rural economies in the Northern Plains States. Specific objectives for this research are (1) to evaluate the potential impacts of multilateral and regional free trade agreements (e.g. the WTO and Free Trade Area of the Americas negotiations) on Northern Plains agricultural competitiveness in global markets, (2) to analyze net farm income and agricultural policies for the Northern Plains region, (3) to evaluate the impacts of macro policy variables, such as exchange rates and the new farm bill, on agricultural exports, (4) to develop strategies to improve export opportunities for agricultural goods from this region, and (5) to analyze the impacts of the North American Free Trade Agreement on trilateral flows of agricultural goods and net farm income in the region. The Committee has included \$750,000 to continue this project.

PROJECT ALERT

The Committee instructs the Customs Service to provide no less than \$200,000 to the National Center for Missing and Exploited Children for the training of retired law enforcement officers to assist in the investigation of unsolved missing children cases nationwide. The Committee anticipates that these funds will be in addition to other funds available to the Center for these purposes.

INTERDICTION OPERATIONS

Through the years, Customs has had to react to constantly changing drug smuggling methods. Consequently, interdiction methods have been adapted to challenge the nature of the ever-changing threat. This effort has proven effective, with record narcotics seizures posted annually. After the terrorist attacks of September 11, 2001, the concept of applying the lessons learned in air and marine narcotics enforcement to the precepts of counterterrorism have become particularly critical. This is especially true given the published vulnerabilities of our sovereign coastal waters, seaports, and airspace. The Committee notes that a reactive posture, oftentimes successful in counter drug activities, becomes an unacceptably passive alternative to combating the specter of terrorism proactively. The Committee believes that the threat of terrorism and the fluid patterns of drug smuggling demand forward thinking vigilance by Customs. The Committee notes that the consequences for failure in the fight against terrorism are unacceptable. The Committee therefore strongly urges Customs to apply the lessons learned from enhanced air and marine enforcement efforts in countering fluid smuggling efforts to the battle against terrorism by ensuring sufficient resources are dedicated to the interdiction mission.

CANINE DETECTION TRAINING CURRICULUM DEVELOPMENT

The Committee is encouraged with the initiatives demonstrated by the Customs Service as regards development and utilization of canine detection to combat and respond to possible future terrorist activities involving hazardous materials. The Committee is pleased

that the Customs Service has continually recognized the unique and special abilities that the appropriately trained canine and handler immediately offer in this regard. The Committee has provided \$2,300,000 for further canine training activities and curriculum development to enhance canine detection technology for the detection of additional chemical and biological agents. In order to comply with this section, the Committee directs the Customs Service to contract with an appropriate entity, like Auburn University, and to provide any and all technical and physical support necessary to enhance canine detection technology and operational resources for protecting the Nation against terrorism.

ADVANCED PASSENGER INFORMATION SYSTEM

The Committee commends the U.S. Customs Service for the creation and expansion of the Advanced Passenger Information System. The Committee strongly believes that the information supplied through this program will be critical in our homeland security efforts. The Committee recommends that the Customs Service recognize the unique aspects of Part 135 on-demand air taxi operators as they apply manifest requirements according to Public Law 107-71, the Aviation Transportation Security Act of 2001. Customs is encouraged to consider all transmission options for any operators or locations that do not have internet access.

CHARACTERIZATION AND RECOGNITION OF DOMESTIC AND INTERNATIONAL BULK CURRENCY

Both United States and international bulk currency are used to finance trafficking of illicit substances and in supporting terrorist activities. Funding in the amount of \$2,000,000 is provided to the Customs Service for a contract with the Idaho National Engineering and Environmental Laboratory to expand the lab's support to the Department of the Treasury and the Customs Service program to characterize domestic currency and build a detector to identify illicit movement of bulk currency. The program will expand the existing effort into the characterization and recognition of international currency.

STRENGTHENED ENFORCEMENT OF U.S. TRADE LAWS PERTAINING TO STEEL

The Committee supports Customs in its enforcement of U.S. trade laws, including the Presidents' steel 201 proclamation of March 5, 2002, and all antidumping and countervailing duty orders related to steel. The Committee also understands that Customs is responsible for enforcing and monitoring imports of wire rods and certain line pipe products that were previously covered by a 201 remedy decision. The Committee is aware that Customs personnel assigned to enforce antidumping and countervailing duty orders, including import specialists, inspectors, and agents, have been increasingly burdened and many have been reassigned to meet homeland security priorities. The steel industry states that Customs would have to dedicate as many as 30 additional positions to fully enforce this set of trade laws, and the Committee understands that there are serious deficiencies in the level of training and special-

ized knowledge of Customs inspectors and import specialists who deal with steel tariff matters. The Committee supports assisting Customs officials, working with the steel manufacturing and trading community, to identify and apply the resources and training required to carry out these responsibilities. Such efforts may include utilizing steel industry experts through a series of national trading seminars, which could be made available to members of the trade and brokerage community who play a key role in classifying imported goods for Customs processing. Other efforts could involve assigning more import specialists, inspectors, or agents to steel trade enforcement. The Committee recommends that new steel import specialists be assigned to ports with the greatest volume of steel imports. In addition, the Committee directs Customs to report not later than March 31, 2003, describing the steps it has taken to improve overall training for steel tariff implementation, enforcement efforts and manpower, including data on the types and value of illegal imports seized and the penalties awarded.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

Appropriations, 2002	\$184,560,000
Budget estimate, 2003	170,829,000
Committee recommendation	177,829,000

The Committee recommends an appropriation of \$177,829,000 for operation and maintenance activities of the Customs air and marine interdiction programs. This amount is \$6,731,000 below fiscal year 2002 levels and \$7,000,000 above the President's request. This includes an additional \$7,000,000 for the Customs National Aviation Center.

The Customs Air and Marine Interdiction Program combats the illegal entry of narcotics and other goods into the United States. This appropriation provides capital procurement and total operations and maintenance for the Customs air and marine program. This program also provides support for the interdiction of narcotics by other Federal, State and local agencies.

The Customs Service will continue implementation of the Western Hemisphere Drug Elimination Act (WHDEA). At the Administration's request \$35,764,000 in new funding is included to intensify WHDEA activities, including the purchase of new equipment as well as other enhancements, to improve interdiction efforts against drug operations in the source and transit zones.

CUSTOMS COUNTERDRUG RESOURCES

The Committee, supportive of the use of technology and assets as a means to enhance the Customs mission, necessarily places the priority on meeting these annualized costs over the acquisition of additional assets and the concomitant support personnel and maintenance costs. The Committee remains concerned about the Customs Service failure to consider the full budgetary impact and secure funding for items and personnel funded in addition to their congressional budget submission. The Committee encourages Customs to continue to evaluate, consider and acquire such assets in an effort to maximize its personnel and resources. However, the

Committee expects that the Customs Service will responsibly address and meet all out-year costs for any new acquisitions and personnel without sacrificing existing programs in the process.

CUSTOMS NATIONAL AVIATION CENTER

The Committee has provided \$7,000,000 to continue a Customs Service program to facilitate uniformity in aviation training. This standardization program will be headquartered on site at the Customs National Aviation Center (CNAC) at Oklahoma City, Oklahoma. CNAC will also be the home station for such assets as are required to implement this program, including facilities necessary for further standardization of operational training activities of the Customs Service's Air and Marine Interdiction Division.

TOTAL SYSTEMS SUPPORT

The Committee has supported and continues to support the Customs air and marine interdiction programs, and is concerned about the aging fleet of P-3 aircraft. While it would be preferable to replace these aging aircraft with new models, the Committee is mindful of funding constraints. The Committee believes that the Customs Service should take all necessary steps to protect the investment in these aircraft, while considering aircrew safety. In this regard, the Committee is aware of an unsolicited proposal to work with Customs to study the feasibility of utilizing private sector expertise to manage a wide range of engineering and maintenance requirements. The Committee urges Customs to carefully review this proposal, and provide a report to the Committee on their plans with regard to a total systems support concept.

AUTOMATION MODERNIZATION

Appropriations, 2002	\$427,832,000
Budget estimate, 2003	435,332,000
Committee recommendation	435,332,000

The Committee has provided \$122,432,000 for the Automated Commercial Systems (ACS), and \$312,900,000 to continue work on the Automated Commercial Environment (ACE).

The Customs Service continues to modernize its trade data processing system. The current system, ACS, will be replaced with the new ACE. ACE will provide an upgrade to the system which will enable Customs to meet the demands of an increasing volume of trade and convert to a paperless process and an account-based system. These funds will support the ACS legacy system while the conversion to ACE is underway.

AUTOMATED COMMERCIAL ENVIRONMENT

Automation modernization of the aging Customs commercial systems and processes is critical to the Nation's commerce. In light of the events of September 11, 2001, it is even more imperative that all trade entering this country be as accurately tracked as possible. The Committee continues to be encouraged by the efforts and progress made by the Customs Service in its modernization effort. The Committee believes that Customs appears to be on the right

track in establishing a well-considered framework necessary to proceed with the initial ACE development.

The Committee notes that the Commissioner is anxious to move out on the program as expeditiously as possible. While the Committee is pleased that the administration has submitted a robust request for this program for fiscal year 2003, we are concerned that the program is not sufficiently mature in its development to warrant an acceleration of the timetable. However, the Committee shares the Commissioner's concern that the ultimate system not be obsolete by the time it becomes fully functional. The Committee looks forward to favorably considering an even more robust funding request and acceleration of ACE should the administration so propose in its next budget submission.

The Committee directs Customs, in concert with General Accounting Office (GAO) and the Department of the Treasury, to report periodically on the status of the project pertaining to the need for technology insertion, to include the reasons, whether through technological advancement or delay in project completion.

The Committee strongly believes that continued oversight of the program by GAO and Treasury is critical to successful adherence to the ACE expenditure plan. Periodic review of investment increments allows for oversight of the capital planning and architecture development and is consistent with best practices. The Committee directs that regular quarterly reports continue to be provided until ACE becomes functional. Additionally, the Committee directs Customs to submit requests for release of funds, including a cost-benefit analysis, in a timely manner, but in no case less than 30 days from the anticipated need for the funds.

HARBOR MAINTENANCE FEE COLLECTION

Appropriations, 2002	\$3,000,000
Budget estimate, 2003	3,000,000
Committee recommendation	3,000,000

The Committee provides \$3,000,000 to be transferred from the harbor maintenance trust fund to the Customs Service "salaries and expenses" appropriation.

The harbor maintenance fee was established to provide resources to the Army Corps of Engineers for the improvement of American channels and harbors. The fee is assessed on the value of commercial imports and exports delivered to and from certain specified ports. The fee is collected by the Customs Service. The transferred funds will offset the costs incurred by Customs in collecting these fees.

U.S. MINT

The U.S. Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104-52 established the U.S. Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into three major activities: Circulating Coinage; Numismatic and Investment Products; and Protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. From those receipts, the Mint pays its cost of operations, which includes the costs of production and distribution. The difference between the face value of the coins and these costs are profit, which is deposited as seigniorage to the general fund. In 2001, the Mint transferred \$1,383,000,000 to the General Fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose, and as receipts over the life of the asset.

GOLDEN DOLLAR COIN

The Committee strongly supported the creation and circulation of the Golden Dollar (Sacagawea) coin. However, the Committee notes with disappointment that nearly 2 years has passed since the coin's introduction with an exuberant marketing campaign, and the coin has yet to enter into regular circulation in all areas. The Committee held a hearing on this subject on May 17, 2002 and directed the U.S. Mint to submit for approval to the Committee on Appropriations, a revised marketing plan. The Committee met with the Mint in reference to the draft recommendations and is aware that the Mint is coordinating the formal report with the U.S. Federal Reserve Bank. The Committee is also aware that the General Accounting Office (GAO) will be publishing a report on the Mint's marketing and promotion of the coin in August 2002. Therefore, the Committee directs the Mint to submit for approval to the Committee on Appropriations, no later than 30 days after the release of the GAO report, a revised marketing plan that also addresses the distribution of the coin.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing (BEP) designs, manufactures, and supplies Federal Reserve notes, various public debt instruments, as well as most evidences of a financial character issued by the United States, such as postage and internal revenue stamps. The Bureau executes certain printings for various territories administered by the United States, particularly postage and revenue stamps.

The anticipated work volume is based on estimates of requirements submitted by agencies served. The program comprises the following activities:

Currency.—Total deliveries of currency for 2002 and 2003 are estimated to be 7 billion notes each year. During 2001, the Bureau delivered 7 billion Federal Reserve notes.

Stamps.—This category of work is comprised of postal and internal revenue stamps. The projected requirements for 2002 and 2003 are estimated to be 12 billion and 9 billion stamps, respectively. In 2001, the Bureau delivered 15.9 billion stamps.

Securities.—This program encompasses the production of a wide variety of bonds, notes, and debentures for the Bureau of Public Debt and certain other agencies of the Government.

Commissions, certificates, etc.—This program is comprised primarily of Presidential and Department of Defense commissions and certificates, White House invitations, and identification cards for various Government agencies. It represents a small portion of the Bureau's total workload.

Space utilized by other agencies.—Other agencies are charged for services provided in the space occupied in the Bureau's buildings.

Other miscellaneous services.—A wide variety of miscellaneous services are performed by Bureau personnel for other agencies, which are charged on an actual cost basis.

Purchase of operating equipment.—This category consists of new purchases and replacement of printing equipment and other related printing items.

Plant alterations and experimental equipment.—This category encompasses alterations made on the Bureau's buildings and purchases of experimental equipment. The operations of the Bureau are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the Bureau to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The Bureau is also authorized to assess amounts to acquire capital equipment and provide for working capital needs. Bureau operations during 2001 resulted in an increase to retained earnings of \$45,000,000.

The Committee is concerned about the links between terrorism and counterfeiting. The Committee is also aware that a substantial degree of counterfeiting of U.S. currency takes place overseas. The Committee encourages the Department of the Treasury to consider for future currency designs, the best available, most cost effective anti-counterfeiting technology and security devices for U.S. currency, including but not limited to alternative substrates; distinctive fibers; optically variable devices; high-technology inks; and, security measures produced by modern offset printing techniques.

No direct appropriation is required to cover the activities of the Bureau.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2002	\$186,953,000
Budget estimate, 2003	191,119,000
Committee recommendation	192,068,000

The Committee recommends an appropriation of \$192,068,000 for the Bureau of the Public Debt in fiscal year 2003. The increase above the President's request is for pay parity. This amount includes \$2,500 within existing funds for official reception and representation expenses.

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

Savings securities.—This activity involves the issuance, servicing, and retirement of savings bonds and notes and retirement-type securities, including: (1) the maintenance and servicing of individual accounts of owners of series H and HH bonds and the authorization of interest payments; and (2) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest cost. These functions are performed directly by the Bureau of the Public Debt, by the Federal Reserve Banks as fiscal agents of the United States, and by the qualified agents which issue and redeem savings bonds and notes. This activity also consists of sales promotion efforts, using press, radio, other advertising media, and organized groups, augmented by concentrated sales campaign emphasizing payroll savings plans.

Marketable and special securities.—This activity involves all securities of the United States, other than savings and retirement securities, including securities of Government corporations for which the Bureau of the Public Debt provides services. Functions performed relate to the issuance, servicing, and retirement of these securities, both directly by the Bureau and through the Federal Reserve Banks, as fiscal agents, including: (1) the maintenance and servicing of individual accounts of owners of registered securities and book-entry Treasury bills; (2) the authorization of interest and principal payments; and (3) the maintenance of accounting control over financial transactions, securities transactions and accountability, and interest cost.

INTERNAL REVENUE SERVICE

SUMMARY

The Committee has recommended a total of \$9,995,221,000 for the Internal Revenue Service (IRS) in fiscal year 2003. This amount is \$524,617,000 above the fiscal year 2002 enacted level and an increase of \$79,368,000 above the President's request.

PROCESSING, ASSISTANCE, AND MANAGEMENT

Appropriations, 2002	\$3,810,880,000
Budget estimate, 2003	3,958,337,000
Committee recommendation	3,985,151,000

The Committee recommends an appropriation of \$3,985,151,000 for processing, taxpayer assistance, and management. This amount is \$174,271,000 above fiscal year 2002 levels and \$26,814,000 above the President's request. This includes \$4,350,000 for Volunteer Income Taxpayer Assistance and \$9,000,000 for the Low Income Taxpayer Clinic program.

This appropriation provides for: processing tax returns and related documents; assisting taxpayers in the filing of their returns, paying taxes that are due, and complying with tax laws; issuing technical rulings; revenue accounting, conducting background investigations; managing financial resources, rent and utilities.

Pre-Filing Taxpayer Assistance and Education.—This activity includes resources to support services provided before a return is filed to assist the taxpayer in filing a tax return correctly. Included in this activity are staffing, training and direct support for (1) pre-filing services operational management; (2) tax law interpretation

and published guidance; (3) taxpayer communication and education to research customer needs, prepare tax forms and publications, develop and manage education programs, establish partnerships with stakeholder groups, and disseminate tax information to taxpayers and the general public; (4) rulings and agreements to apply the tax law to specific taxpayers in the form of pre-filing agreements, determination letters, advance pricing agreements and other pre-filing determinations and advice; (5) marketing of electronic tax administration products and services; and (6) ensuring that taxpayers have an advocate to prevent future problems by identifying the underlying causes of taxpayers' problems and to participate in the development of systemic and/or procedural remedies.

Filing and Account Services.—This activity provides resources to support services provided to a taxpayer in the process of filing returns and paying taxes in addition to issuance of refunds and maintenance of taxpayers accounts. Included in this activity are staffing, training and direct support for (1) filing and account services operational management; (2) submission processing of paper and electronically submitted tax returns and supplemental documents which account for tax revenues, and issue refunds and tax notices; (3) electronic/correspondence assistance to taxpayers to resolve account and notice inquiries, either electronically or by telephone; (4) face-to-face assistance to taxpayers, including return preparation, answering tax questions, resolving account and notice inquiries, and supplying forms and publications to taxpayers; and (5) processing of information documents which enables the Service to match this information with that provided by taxpayers on their returns.

Shared Services Support.—This activity provides staffing, training and direct support for (1) services and supplies to manage IRS facilities; (2) human resources programs including recruitment, labor and employee relations, workforce planning and evaluation, performance management, employee benefits, personnel security and transactional processing; (3) procurement; (4) the Servicewide EEO and Diversity program; (5) the Servicewide Career Management and Learning Center; (6) financial services including relocation, travel, imprest fund, purchase cards, corporate express and employee clearance; and (7) Treasury complaint centers. This activity also provides resources for (1) building rent; (2) IRS building services, maintenance space alterations, guard services, custodial overtime, utility services, and non-information technology equipment; (3) shared support such as copiers, postage meters, shredders, courier services, P.O. boxes, etc.; and (4) cleaning, maintenance, utilities, security and repair costs of delegated buildings.

General Management and Administration.—This activity provides staffing, training and direct support for (1) business unit headquarters management activities of strategic planning, communications and liaison, finance, human resources, EEO and diversity, and business systems planning; (2) national headquarters management and administration of policy making and goal setting, leadership and direction for the IRS, building partner relationships with key stakeholders (e.g., Congress, OMB, etc.); (3) strategic direction Servicewide for communications, Government liaison and disclosure, legislative affairs and public liaison; (4) general legal

advice to the IRS on non-tax legal issues including procurement, personnel, labor relations, equal employment opportunity, fiscal law, tort claims and damages, ethics, and conflict of interest; and (5) payments for workmen's compensation benefits and unemployment compensation payments.

IRS STAFFING PLANS

The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, WV. Therefore, the Committee urges the IRS, within the constraints of the fiscal year 2003 funding levels, to make no staffing reductions at the Martinsburg National Computing Center and the programmed level at the Administrative Services Center in Beckley, WV.

TAXPAYER SERVICES

The Committee is pleased that the IRS is providing more service and assistance to taxpayers, especially in rural and less populated areas. The Committee notes the benefits provided by, and increased usage of, mobile tax preparation services in North Dakota. The Committee commends the IRS for providing this mobile taxpayer service and urges the IRS to use existing resources to expand this mobile service to New Mexico, with a special emphasis on providing these services to Native American reservations and pueblos. To increase use of these mobile services, the Committee urges the IRS to make a greater effort to provide early notice to local media of the dates and times the mobile services will be in specific locations.

The Committee also directs the IRS to provide a report to the Committee at the conclusion of the filing season on its efforts to publicize the availability of these mobile taxpayer services as well as the number of taxpayers served and the types of assistance provided.

TAX COUNSELING FOR THE ELDERLY

The Committee once again believes that the Tax Counseling Program for the Elderly has proven to be most successful. To meet the goals of this program, \$3,950,000 is included within the aggregate amount recommended by the Committee for processing tax returns and assistance in fiscal year 2003. To ensure that the full effect of the program is accomplished, the IRS is directed to cover administrative expenses within existing funds.

TAXPAYER SERVICES IN ALASKA AND HAWAII

Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service office in each of these States is fully staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the Internal Revenue Service to staff each Taxpayer Advocate Service office in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the cur-

rent complement of office staff. Staffing shall be increased if, as the result of the IRS Restructuring and Reform Act of 1998, subsequent legislation, or other factors, the number of cases or their complexity increases.

LOW-INCOME TAXPAYER CLINIC

The Committee once again commends the IRS for the Low-Income Taxpayer Clinic (LITC) program. With the growing complexity of tax laws, this program has provided invaluable help for taxpayers who are seeking to resolve disputes with the IRS. To ensure that the goals of the LITC program are maintained, the Committee has provided a total of \$9,000,000 to assist low-income taxpayer clinics across the Nation.

The Committee is concerned about recent proposed Treasury regulations that state that the Treasury Department and the Internal Revenue Service do not believe that qualified LITC's are authorized to provide tax preparation services unless it is in conjunction with a controversy or with an English as a Second Language program. Need-based tax preparation assistance through LITC and other programs such as VITA is imperative for many of our Nation's taxpayers who cannot afford commercial preparers. Without this assistance, many individuals may either not file a return or will make errors and prepare their returns improperly, ultimately leading to a controversy with the IRS. Helping taxpayers with problems with the IRS begins with the preparation and filing of the return. Without this assistance, the limited resources available to the LITC program will be insufficient to meet the demand of taxpayers with controversies with the IRS.

RHODE ISLAND LOW INCOME TAXPAYER CLINIC

The Committee acknowledges the valuable work and service to the community that the Rhode Island Low Income Taxpayer Clinic (RILITC) has provided over the past 4 years of its existence. The Committee therefore encourages the Internal Revenue Service to fund the RILITC's grant request for 2003, so that it may continue to operate and deliver its unique services to the citizens of the City of Providence.

VOLUNTEER INCOME TAX ASSISTANCE

The Committee notes that the existing Volunteer Income Tax Assistance (VITA) program provides an invaluable service by helping low income taxpayers prepare and file their Federal income tax returns. It is the Committee's understanding that IRS used Congress' fiscal year 2002 appropriation of an additional \$1,000,000 for the VITA program to provide VITA sites with additional computers and computer modules to assist taxpayers to file electronically. The Committee, therefore, directs the IRS to provide \$4,350,000 to the VITA program outside of its in-kind contribution program. These additional funds are intended to assist the IRS in expanding the VITA program to hard to serve areas, such as Indian Reservations. Additionally, these funds are intended to increase the capacity of VITA sites to file returns electronically and to cover some operational expenses. The Committee expects that IRS will continue its

current level of in-kind contributions to VITA programs in addition to this funding.

PROVIDENCE, RHODE ISLAND TAXPAYER ASSISTANCE OFFICE

The Committee notes and commends the work that is being done at the Providence Field Office of the IRS to establish a Taxpayer Assistance Office, as well as to redesign the space used by the Taxpayer Advocate's Office. The Committee urges the IRS to ensure that these projects remain a priority and that funding for them remains intact.

WAGE AND INVESTMENT DIVISION

The Committee recognizes that there are ebbs and flows in employment at the Internal Revenue Service's field offices around the country, particularly in correlation to the tax filing season. However, the Committee is concerned that some of these departures may have unintended consequences, especially by stretching available resources to satisfy the needs of a particular community. Therefore, the Committee requests that the IRS report to the Committee, by January 31, 2003, with an analysis of staffing plans at IRS field offices and the impact of such plans on the communities they serve. The report also should include an analysis of staffing plans at the Providence, Rhode Island field office.

OFFICE OF APPEALS

The Committee recognizes the importance of the work provided by the IRS Office of Appeals, and strongly urges the IRS to consider establishing an Office of Appeals within the current IRS Field Office in Providence, Rhode Island.

IRS CONSORTIUM FOR LEARNING AND WORKFORCE DEVELOPMENT

The Committee is aware of the IRS Consortium for Learning and Workforce Development that incorporates technology such as e-learning to deliver training in a more cost-effective manner. The Committee is concerned that the delays in awarding the course conversion task order may jeopardize the Consortium initiative and directs the IRS to complete its negotiations expeditiously. Further, the Committee requests that the IRS provide quarterly briefings to the Committee on the work of the Consortium.

NO-COST EZ TAX FILING

The Committee understands that the IRS does not intend to enter into the tax preparation software business with respect to no- or low-cost digital filing of tax returns over the Internet. The Committee recognizes that the IRS intends to work in partnership with industry to expand the electronic filing of tax returns. The necessity of a partnership was emphasized in a statement released by the Department of the Treasury on January 30, 2002. The IRS has echoed this commitment to work with industry and notes that IRS plans do not include tax preparation services. The Committee notes that the IRS budget request sought no resources for this purpose. The Committee strongly believes in the industry-IRS partnership concept and urges the IRS to continue strengthening its ties with

the private sector and computer software industry as it moves forward in this endeavor.

TAX LAW ENFORCEMENT

Appropriations, 2002	\$3,542,891,000
Budget estimate, 2003	3,729,072,000
Committee recommendation	3,774,121,000

The Committee recommends an appropriation of \$3,774,121,000 for tax law enforcement activities in fiscal year 2003. This amount is \$235,774,000 above fiscal year 2002 levels and includes \$10,000,000 for an initiative to combat abusive tax shelters.

This appropriation funds IRS's ability to provide equitable application and enforcement of the tax laws, identify possible nonfilers for investigations, investigate violations of criminal statutes, and supports the Statistics of Income program.

Compliance Services.—This activity funds services to taxpayers after a return is filed, identifying and attempting to correct possible errors or underpayment. It provides for the examination of tax returns, both domestic and international, and the administration and judicial settlement of taxpayer appeals of examination findings. It also provides for monitoring employee pension plans, determining qualifications of organizations seeking exempt status, examining the tax returns of exempt organizations, enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws and other financial crimes, collecting unpaid accounts, securing unfiled tax returns and payments, analyzing and determining the reasons for delinquent accounts, preventing accounts from becoming delinquent, and preventing non-filing. This activity also provides for legal counsel regarding legal interpretation of the law and representation in litigation.

Research and Statistics of Income.—This activity funds research and statistical analysis support for the Service. It provides annual income, financial, and tax data from tax returns filed by individuals, corporations, and tax-exempt organizations. Likewise it provides resources for market-based research to identify compliance issues, for conducting tests of treatments to address non-compliance, and for the implementation of successful treatments of taxpayer non-compliant behavior.

ABUSIVE TAX SHELTERS

The Committee has become extremely concerned about the growth of abusive tax shelters and their impact on investor confidence as well as on the national economy. For instance, during Committee hearings this spring with the Internal Revenue Service the Committee explored with the Commissioner examples of these corporations, such as the Enron Corporation which apparently ran nearly 600 subsidiaries out of single post office box in the Cayman Islands. The Committee strongly believes that these abuses are out of control and that the IRS must do more to target these abuses.

In order to more effectively and aggressively investigate and combat abusive tax shelters, the Committee has provided an additional \$10,000,000 to the "Tax Law Enforcement" account solely for the purpose of providing additional personnel and resources to target these abuses.

EARNED INCOME TAX CREDIT

Appropriations, 2002	\$146,000,000
Budget estimate, 2003	146,000,000
Committee recommendation	147,233,000

The Committee recommends an appropriation of \$147,233,000, which includes pay parity.

The “Earned income tax credit” (EITC) appropriation provides for expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce overclaims and erroneous filing associated with the earned income tax credit.

Expanded customer service includes dedicated, toll-free telephone assistance, increased community-based tax preparation sites, and a coordinated marketing and educational effort (including paid advertising and direct mailings) to assist low-income taxpayers in determining their eligibility for EITC. Improved compliance includes increased staff and systemic improvements in submissions processing, examination, and criminal investigation programs. In returns processing, new procedures include expanded use of math error authority and the identification of EITC-based refund claims involving invalid or duplicate primary, secondary, and dependent tax identification numbers (TIN’s). Increased examination coverage, prior to issuance of refunds, reduces overpayment and encourages compliance in subsequent filing periods. In addition, post-refund correspondence audits by service center staff aids in the recovery of erroneous refunds. Criminal investigation activities target individuals and practitioners involved in fraudulent refund schemes and generate referrals of suspicious returns for followup examination. Examination staff, assigned to district offices, audit return preparers and may apply penalties for noncompliance with due diligence requirements.

Enhanced research activities and projects focus on EITC claimant characteristics and patterns of noncompliance and are designed to improve education and outreach products, strengthen IRS abuse detection capabilities, and measure the effects of Servicewide programs on compliance levels for the EITC-eligible taxpayer population. This appropriation also funds the development of specialized research data bases and masterfile updates, reimbursement to the Social Security Administration (SSA) for enhancements to the SSA numbering systems, and cooperative efforts with State vital statistics offices.

INFORMATION SYSTEMS

Appropriations, 2002	\$1,579,240,000
Budget estimate, 2003	1,632,444,000
Committee recommendation	1,638,716,000

The Committee recommends an appropriation of \$1,638,716,000 for information systems activities in fiscal year 2003. The increase above the request is for pay parity.

This appropriation provides for Servicewide information systems operations and maintenance, and investments to enhance or develop business applications for the IRS Business Units. The appro-

priation includes staffing, telecommunications, hardware and software (including commercial-off-the-shelf), and contractual services.

Information services.—This activity provides the salaries, benefits, and related costs to manage, maintain, and operate the information systems that support tax administration. The Service's business activities rely on these information systems to process tax and information returns, account for tax revenues collected, send bills for taxes owed, issue refunds, assist in the selection of tax returns for audit, and provide telecommunications services for all business activities including the public's toll free access to tax information. These systems are located in a variety of sites including the Martinsburg, West Virginia, Memphis, Tennessee, and Detroit, Michigan Computing Centers; Service Centers; and in other field office operations. Staffing in this activity develops and maintains the millions of lines of programming code supporting all aspects of tax processing; as well as operating and administering the Service's hardware infrastructure of mainframes, minicomputers, personal computers, networks, and a variety of management information systems.

Information systems improvement programs.—This activity funds improvements or enhancements to business applications that support requirements unique to one of the new IRS Business Units. These projects meet the following criteria: each project is small or medium in size and can be fully developed and implemented in 1 to 2 years; it supports specialized functions of a single Business Unit; and it conforms to the modernized IRS architecture. These projects differ in scope from those funded by the Business Systems Modernization Program, which addresses major common tax administration systems that cross Business Unit lines.

The Committee believes that funds provided under the Information Systems account, particularly for development related activities, should be managed with the same diligence and financial controls as those activities funded through the Business Systems Modernization account. In addition, the Committee expects that as the Business Systems Modernization moves an increasing number of major projects into deployment, the Service will realign development activities funded under the Information Systems account so that they are managed and integrated formally into Business Systems Modernization activity. For this reason, the Committee directs the Commissioner to submit, concurrent with the fiscal year 2004 budget submission, a detailed budget justification for funds provided in the Information Systems account that outlines the specific use of all monies allocated in this appropriation, apportioning responsibility between operations and development functions, and specifying how program governance for these funds will meet the appropriate and rigorous requirements set for comparable activities in Business Systems Modernization.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2002	\$391,593,000
Budget estimate, 2003	450,000,000
Committee recommendation	450,000,000

The Committee recommends an appropriation of \$450,000,000. This amount is \$58,407,000 above fiscal year 2002 levels and

equals the President's budget request. This account provides for re-vamping business practices and acquiring new technology. The agency is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology enforces a documented, repeatable, and measurable process for managing investments throughout their life cycle. Investment decisions are approved by the IRS Core Business System Executive Steering Committee, chaired by the Commissioner.

BUSINESS SYSTEMS MODERNIZATION EFFORT

The Committee is pleased with the program's progress to date. In order to ensure more timely release of funds appropriated under this account in fiscal year 2003, the Committee directs the Internal Revenue Service (IRS), in consultation with the Department of the Treasury and the Office of Management and Budget, to submit a single business systems modernization spending plan to the Committee on Appropriations for the full use of this appropriation by November 1, 2002, or 15 days after the enactment of this appropriations act, whichever is sooner. In addition, the IRS should articulate in its fiscal years 2003 and 2004 expenditure plans and the fiscal year 2004 budget submission how IRS intends to guarantee that products and projects delivered under the business systems modernization program are fully integrated into the new business units. As in previous years, the Committee fully expects that the IRS will continue to brief and provide documents and all pertinent information to the General Accounting Office in a timely manner for review of the expenditure plan.

IRS—ADMINISTRATIVE PROVISIONS

The Committee has recommended approval of the following administrative provisions for the Internal Revenue Service:

Section 101 continues a provision which authorizes the IRS to transfer up to 5 percent of any appropriation made available to the agency in fiscal year 2003, to any other IRS account. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 102 continues a provision which maintains a training program in taxpayer's rights and cross-cultural relations.

Section 103 continues a provision which requires the IRS to institute and enforce policies and procedures which will safeguard the confidentiality of taxpayer information.

Section 104 continues a provision which directs that funds shall be available for improved facilities and increased manpower to provide sufficient and effective 1-800 telephone assistance and that the Commissioner shall continue to make this a priority.

U.S. SECRET SERVICE

SALARIES AND EXPENSES

Appropriations, 2002	\$1,025,384,000
Budget estimate, 2003	1,010,435,000
Committee recommendation	1,016,947,000

The Committee recommends an appropriation of \$1,016,947,000 for the U.S. Secret Service in fiscal year 2003. The increase above the President's request reflects \$6,475,000 for pay parity and an additional \$395,000 for the National Center for Missing and Exploited Children.

The Secret Service is responsible for the security of the President, the Vice President and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial institution fraud and other fraud; and for protection of the White House and other buildings within Washington, D.C.

Investigations, protection, and uniformed activities.—The Service must provide for the protection of the President of the United States, members of his immediate family, the President-elect, the Vice President, or other officer next in the order of succession to the Office of the President, and the Vice President-elect, and the members of their immediate families unless the members decline such protection; protection of the person of a visiting head and accompanying spouse of a foreign state or foreign government and, at the direction of the President, other distinguished foreign visitors to the United States and official representatives of the United States performing special missions abroad; the protection of the person of former Presidents, their spouses and minor children unless such protection is declined. The Service is also responsible for the detection and arrest of persons engaged in counterfeiting, forging, or altering of any of the obligations or other securities of the United States and foreign governments; the investigation of thefts and frauds relating to Treasury electronic fund transfers; fraudulent use of debit and credit cards; fraud and related activity in connection with Government identification documents; computer fraud; food coupon fraud; and the investigation of personnel, tort claims, and other criminal and noncriminal cases.

The Secret Service Uniformed Division protects the Executive Residence and grounds in the District of Columbia; any building in which White House offices are located; the President and members of his immediate family; the official residence and grounds of the Vice President in the District of Columbia; the Vice President and members of his immediate family; foreign diplomatic missions located in the Washington metropolitan area; and the Treasury Building, its annex and grounds, and such other areas as the President may direct on a case-by-case basis.

Presidential candidate protective activities.—The Secret Service is authorized to protect major Presidential and Vice Presidential candidates, as determined by the Secretary of the Treasury after consultation with an advisory committee. In addition, the Service is authorized to protect the spouses of major Presidential and Vice Presidential candidates; however, such protection may not commence more than 120 days prior to the general Presidential election.

MISSING AND EXPLOITED CHILDREN

The Committee has included \$1,633,000 for the Service's operation costs of the exploited child unit, associated with its continued efforts with the National Center for Missing and Exploited Chil-

dren, including \$3,404,000 as a grant for investigations of exploited children.

STAFFING IN RHODE ISLAND

The Committee is concerned about the declining number of Secret Service special agents in Rhode Island, particularly in light of the increased demand for criminal investigative work in the areas of identity theft, bank fraud and counterfeit currency investigations. The Committee understands that the number of special agents, excluding the supervisor, has declined from seven in fiscal year 1998 to three in fiscal year 2002. The Committee urges the Secret Service to give the highest priority to funding additional staffing in Rhode Island for fiscal year 2003.

ACQUISITION, CONSTRUCTION, IMPROVEMENT AND RELATED EXPENSES

Appropriations, 2002	\$3,457,000
Budget estimate, 2003	3,519,000
Committee recommendation	3,519,000

The Committee recommends an appropriation of \$3,519,000 for the "Acquisition, construction, improvement and related expenses" account in fiscal year 2003, which is equal to the budget estimate.

This appropriation provides funding for security upgrades of existing facilities and the James J. Rowley Training Center to continue development of the current Master Plan and to maintain and renovate existing facilities to ensure efficient and full utilization of the Center.

DEPARTMENT OF THE TREASURY

GENERAL PROVISIONS

The Committee recommends that certain general provisions be included in the Senate bill. The provisions do the following:

Section 110 continues a provision which pertains to reprogramming instructions for unobligated funds.

Section 111 continues a provision which authorizes certain basic services within the Treasury Department in fiscal year 2003, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 112 continues a provision which requires that funds provided to ATF for fiscal year 2003 will be expended in such a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

Section 113 continues a provision which authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Section 114 continues a provision which authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Treasury Inspector General for Tax Administration, Financial Management Service, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 115 continues a provision which authorizes transfer, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 116 continues a provision to require that the purchase of law enforcement vehicles is consistent with Departmental vehicle management principles.

Section 117 continues a provision that prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 118 continues a provision that authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Financial Management Service, to the Debt Services Account as necessary to cover the costs of debt collection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Services Account.

Section 119 continues a provision that extends the pilot project for designated critical occupations for 1 additional year.

Section 120 modifies and continues a provision that requires prior notification for the construction and operation of a museum by the United States Mint.

Section 121 continues a provision limiting the use of funds for the production of Customs declarations that do not inquire whether the passenger had been in the proximity of livestock.

Section 122 is a new provision directing the Federal Law Enforcement Training Center to establish an accrediting body to set standards for measuring and assessing the quality and effectiveness of Federal law enforcement training.

Section 123 is a new provision providing for a permanent extension of the Treasury Franchise Fund.

Section 124 is a new provision providing for licensing procedures for the Office of Foreign Assets Control.

Section 125 is a new provision requiring a report from the U.S. Mint on the marketing and distribution of the Golden Dollar.

Section 126 is a new provision authorizing a pilot project concerning reverse inspections for the Customs Service.

Section 127 is a new provision to allow two government established trust funds, the John C. Stennis Center for Public Service Development Trust Fund and the James Madison Memorial Fellowship Trust Fund, to invest in par value special securities issued by the Department of the Treasury.

TITLE II—U.S. POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2002	\$596,093,000
Budget estimate, 2003	76,619,000
Committee recommendation	107,633,000

The Committee recommends an appropriation of \$107,633,000 in fiscal year 2003 for payment to the Postal Service Fund. The Committee provides \$48,999,000 for providing free mail to the blind and overseas voters and \$17,985,000 has been deducted to reconcile previous fiscal year estimated mail volume with actual volume. The Committee also provides \$29,000,000 as partial reimbursement for losses incurred in previous years for reduced-rate mail, as required by the Revenue Forgone Act of 1993.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain categories of mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and overseas voters will continue to be provided at the funding level recommended by the Committee.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue at the 1983 level; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2003. These are services that must be maintained in fiscal year 2003 and beyond.

The Committee believes that 6-day mail delivery is one of the most important services provided by the Federal Government to its citizens. Especially in rural and small town America, this critical postal service is the linchpin that serves to bind the Nation together. The Committee recognizes that the Postal Service faces fiscal woes, but it believes that there are other means available to resolve this problem than reducing mail delivery to Americans.

RESPONSE TO THE ANTHRAX THREAT TO THE MAIL

The Committee was extremely concerned about the safety and security of postal employees and the American people as well as the mail as a result of last year's anthrax attacks. Following the attacks, the Committee held a hearing in November to learn more about how to protect the Nation's mail system from biohazards. Also in November, the President provided \$175,000,000 in funds under his control from the funds provided by Congress in response to the September 11, 2001 terrorist attacks. In December, this Committee took the lead in appropriating an additional \$500,000,000 to the Postal Service to further assist its response for additional funds to protect the mail. The Committee is also aware

that the President has requested an additional \$87,000,000 in supplemental fiscal year 2002 funding to continue its efforts to improve mail safety and security. The Committee supports the request and expects the Congress to approve those funds in the very near future.

The Committee understands that the Postal Service formally requested of the administration an additional \$799,800,000 for fiscal year 2003. The Committee understands the threat to mail safety continues. However, the Office of Management and Budget has yet to transmit a request for these funds to the Congress and the Committee's allocation is not sufficient to meet this additional requirement.

PEST INTRODUCTIONS

The Committee is concerned that recent introductions of plant and animal pests and diseases into Hawaii may have occurred through the U.S. postal system. Such introductions have severe consequences for U.S. agriculture, biodiversity, and public health and safety. The U.S. Postal Service is directed to work with the U.S. Department of Agriculture and the Hawaii Department of Agriculture to devise and implement a program to combat pest introductions.

MEDICAL GRADE GLOVES

The Committee is aware of the U.S. Postal Service's (USPS) efforts to procure medical grade gloves that protect the skin from biological pathogens. USPS issued a solicitation for this equipment in late 2001. As it moves forward with any additional procurement, the Committee encourages USPS to explore contracting with not-for-profit corporations that employ persons with disabilities to supply these medical grade gloves and to report back to the Committee on its efforts in this regard by December 1, 2002.

TRUSTED MAIL

The Committee is aware that the Postal Service currently uses mail-tracking technologies that provide the capability to uniquely identify individual and bulk mail pieces. The Committee is also aware that the Postal Service is considering other options to enhance its capabilities in this area after the anthrax attacks last year. Therefore, the Committee requests that the Postal Service provide the Committee with a report by December 31, 2002 on their efforts to further enhance "trusted mail". That report should include an analysis of the feasibility of using unique, traceable identifiers applied by the creator of the mail piece, and the feasibility of providing incentives for the creation of trusted mail.

ELY, NEVADA POST OFFICE

The Committee requests the United States Postal Service to conduct an analysis of the recent decision to close the contract Post Office located in downtown Ely, Nevada. Within 90 days of the enactment of this Act, the Postal Service shall submit to the Committee a report on why the Ely Post Office was closed and what effect it believes the closure will have on Ely.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

EXECUTIVE OFFICE OF THE PRESIDENT CONSOLIDATION

For the second year in a row, the administration has proposed a consolidation of the various accounts which comprise the Executive Office of the President. Last year, the Committee gave this request considerable deliberation and concluded that the existing structure well served the Committee's and the public's need for sunshine in the funding and operation of these important functions. The existing structure also provides the executive branch with the flexibility it needs to reprogram funds within accounts to address unforeseen budget needs upon the notification and approval of the Committee. As noted in discussions with administration officials last year, as well as in hearings before this Committee this year, at no time has this Committee rejected an administration's request to reprogram existing funds within accounts in this Title.

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

Appropriations, 2002	\$450,000
Budget estimate, 2003	450,000
Committee recommendation	450,000

The fiscal year 2003 budget request for compensation of the President is \$450,000. This amount includes \$400,000 for the direct salary of the President as authorized by 3 U.S.C. 102, and a \$50,000 expense account for official expenses, with any unused portions reverting to the Treasury. This expense account is not considered as taxable to the President.

The Committee recommends the full budget request of \$450,000 for compensation of the President.

SALARIES AND EXPENSES

Appropriations, 2002	\$54,651,000
Budget estimate, 2003	84,595,000
Committee recommendation	60,212,000

The Committee recommends an appropriation of \$60,212,000 for the White House Office. This is a decrease of \$24,380,000 below the budget estimate because a portion of the funds requested for this account are provided in a new "Office of Homeland Security" account.

These funds provide the President with staff assistance and provide administrative services for the direct support of the President. Public Law 95-570 authorizes appropriations for the White House Office and codifies the activities of the White House Office.

OFFICE OF HOMELAND SECURITY

Appropriations, 2002	\$27,000,000
Budget estimate, 2003	24,844,000
Committee recommendation	25,301,000

The Office of Homeland Security was created by Executive Order 13288 which was signed by the President on October 8, 2001. The purpose of the Office, as stated in the Executive Order, is “to develop and coordinate the implementation of a comprehensive national strategy to secure the United States terrorist threats or attacks.” The increase above the President’s request is for pay parity.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2002	\$11,695,000
Budget estimate, 2003	12,228,000
Committee recommendation	12,339,000

The Committee recommends an appropriation of \$12,339,000 for the Executive Residence at the White House. The increase above the request is for pay parity.

These funds provide for the care, maintenance, refurnishing, improvement, heating, and lighting, including electrical power and fixtures, of the Executive Residence.

The Executive Residence staff provides for the operation of the Executive Residence. A staff of 40 domestic employees accomplish general housekeeping, prepare and serve meals, greet visitors, and provide services as required in support of official and ceremonial functions. A staff of 33 tradespersons, including plumbers, carpenters, painters, on a single shift; electricians on a double shift; and operating engineers on a 24-hour basis, maintains and makes repairs, minor modifications, and improvements to the 132 rooms and the mechanical systems, and provides support for official and ceremonial functions.

A staff of 12 specialized employees provide services necessary to the operation of the White House and official and ceremonial functions. This staff includes four florists, four curators, and four calligraphers.

An administrative staff consists of the chief usher, four assistant ushers, one executive grounds superintendent, one operating accountant, one accounting technician, one computer network engineer, and one administrative officer. This staff is charged with management and administrative functions of the Executive Residence. This requires coordination with the Executive Office of the President, the National Park Service, the military, the U.S. Secret Service, the General Services Administration, and other agencies.

During larger events, the Executive Residence staff is assisted by contract personnel under personal services contract agreements (services by agreement) to provide additional help as required for official and ceremonial functions.

WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2002	\$8,625,000
Budget estimate, 2003	1,200,000
Committee recommendation	1,200,000

The Committee recommends an appropriation of \$1,200,000 for White House Repair and Restoration. The Committee recommendation is equal to the budget estimate.

To provide for the repair, alteration, and improvement of the Executive Residence at the White House, a separate account was established in fiscal year 1996 to program and track expenditures for the capital improvement projects at the Executive Residence at the White House.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2002	\$3,925,000
Budget estimate, 2003	4,066,000
Committee recommendation	4,093,000

The Committee recommends an appropriation of \$4,093,000 for special assistance to the President. The increase above the request is for pay parity.

The "Special assistance to the President" account was established on September 26, 1970, to enable the Vice President to provide assistance to the President. This assistance takes the form of directed and special Presidentially assigned functions.

The objective of the Office of the Vice President is to efficiently and effectively advise, assist, and support the President in the areas of domestic policy, national security affairs, counsel, administration, press, scheduling, advance, special projects, and assignments. Assistance is also provided for the wife of the Vice President.

The Vice President also has a staff funded by the Senate to assist him in the performance of his duties in the legislative branch.

The level of funding recommended by the Committee will allow for 24 full-time permanent positions in fiscal year 2003.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriations, 2002	\$318,000
Budget estimate, 2003	324,000
Committee recommendation	325,000

The Committee recommends an appropriation of \$325,000 for the official residence of the Vice President. The increase above the request is for pay parity.

The "Official Residence of the Vice President (residence)" account was established by Public Law 93-346 on July 12, 1974. The residence is located on the grounds of the Naval Observatory in the District of Columbia and serves as a facility for official and ceremonial functions and as a home for the Vice President and his family.

The objective of the "Residence" account is to provide for the care of, operation, maintenance, refurbishing, improvement, and heating and lighting of the residence and to provide such appropriate equipment, furnishings, dining facilities, services, and provisions as may be required to enable the Vice President to perform and discharge the duties, functions, and obligations associated with his high office.

Funds to renovate the residence are provided to the residence through the Department of the Navy budget. The Committee has had a longstanding interest in the condition of the residence and expects to be kept fully apprised by the Vice President's office of any and all renovations and alterations made to the residence by the Navy.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriations, 2002	\$4,211,000
Budget estimate, 2003	4,405,000
Committee recommendation	4,444,000

The Committee recommends an appropriation of \$4,444,000 for salaries and expenses of the Council of Economic Advisers. The increase above the request is for pay parity.

The Council of Economic Advisors analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal government, and assists in the preparation of the annual Economic Report of the President to Congress.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

Appropriations, 2002	\$4,142,000
Budget estimate, 2003	4,221,000
Committee recommendation	4,254,000

The Committee recommends \$4,254,000 for the Office of Policy Development. The increase above the request is for pay parity.

The Office of Policy Development supports the National Economic Council and the Domestic Policy Council, in carrying out their responsibilities to advise and assist the President in the formulation, coordination, and implementation of economic and domestic policy. The Office of Policy Development also provides support for other domestic policy development and implementation activities as directed by the President.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriations, 2002	\$7,494,000
Budget estimate, 2003	9,525,000
Committee recommendation	9,600,000

The Committee recommends an appropriation of \$9,600,000 for the salaries and expenses of the National Security Council (NSC). The increase above the request is for pay parity.

The primary purpose of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security.

The funding level provided by the Committee will support 60 full-time equivalent positions, or the same since the fiscal year 1996 level for the normal activities of the NSC.

OFFICE OF ADMINISTRATION
SALARIES AND EXPENSES

Appropriations, 2002	\$96,995,000
Budget estimate, 2003	70,128,000
Committee recommendation	70,338,000

The Committee has provided \$70,338,000 to the Office of Administration for fiscal year 2003. The increase above the request is for pay parity.

The Office of Administration's mission is to provide high-quality, cost-effective administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

The Office of Administration receives reimbursements for information management support and general office services.

OFFICE OF MANAGEMENT AND BUDGET
SALARIES AND EXPENSES

Appropriations, 2002	\$70,752,000
Budget estimate, 2003	70,752,000
Committee recommendation	71,370,000

The Committee recommends an appropriation of \$71,370,000. The increase above the request is for pay parity.

The Office of Management and Budget (OMB) assists the President in the discharge of his budgetary, management, and other executive responsibilities.

OMB-wide offices.—Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's immediate office as well as staff support in the areas of budget review, administration, public affairs, office of communications, legislative reference, legislative affairs, economic policy, and general counsel. Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, the budget document is prepared, and scorekeeping is accomplished.

National security and international affairs; general government and finance; natural resources, energy, and science; education, income maintenance, and labor; and health/personnel.—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

Financial management.—In conjunction with the Chief Financial Officers Council, prepares the Government-wide financial management status report and 5-year plan, monitors execution of the plan; provides policy guidance on preparation and audit of financial statements, financial systems requirements, management controls,

and cost accounting and audit requirements for the non-Federal grantee community.

Information and regulatory affairs.—Agency proposals to implement or revise Federal regulations and information collection requirements are reviewed and coordinated. Information resources management and statistical policies and practices are analyzed and developed.

Procurement policy.—The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

GOVERNMENT PRINTING OFFICE

The Committee strongly opposes the Office of Management and Budget's plans, announced in a May 3, 2002, memorandum (M-02-07), to ignore the statutory requirement that the procurement of Government publications must be conducted through the Government Printing Office (GPO). Not only has the administration announced an intention to completely disregard a law which has been in place since 1895 and strengthened in 1994, it has failed to consider the consequences particularly in terms of Government printing costs and public access to Government publications.

With respect to costs, GPO's analysis shows that if all executive branch printing were to be removed from GPO, the cost to the Government could potentially increase over current levels by a range of \$231,500,000 to \$335,200,000 in the first year. With respect to the Federal depository library program, there currently is no mechanism other than GPO to ensure distribution to the 1,300 depository libraries nationwide, thereby depriving the public of access to Government publications.

The Committee directs the administration to abide by the statutory requirement, 44 U.S.C. 501, that printing be done by or through the Government Printing Office.

HARRY S TRUMAN MEMORIAL SCHOLARSHIPS

The Committee strongly supports the Truman Scholarship program and its original intentions. The Committee is concerned, however, that the regulations regarding awarding a scholarship to at least one qualified applicant from each State has been violated numerous times in recent years. The Committee directs the Board of the Truman Scholarship program to strictly adhere to its statutory mandate to "assure that at least one Truman scholar shall be selected each year from each State in which there is at least one resident applicant who meets the minimum criteria established by the Foundation."

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2002	\$25,263,000
Budget estimate, 2003	25,458,000
Committee recommendation	26,605,000

The Committee recommends an appropriation of \$26,605,000. This recommendation includes \$149,000 for pay parity.

The Office of National Drug Control Policy (ONDCP), established by the Anti-Drug Abuse Act of 1988, and reauthorized by Public Law 105-277, is charged with developing policies, objectives and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center (CTAC), the High Intensity Drug Trafficking Areas (HIDTA) program and the Special Forfeiture Fund. The account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy. Funds are also provided for the National Alliance for Model State Drug Laws, which encourages States to adopt and implement laws, policies, and regulations to reduce drug trafficking, drug use, and their related consequences.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

Appropriations, 2002	\$42,300,000
Budget estimate, 2003	40,000,000
Committee recommendation	40,000,000

The Committee recommends an appropriation of \$40,000,000 for the Counterdrug Technology Assessment Center (CTAC). This funding includes \$22,000,000 for the continuation of the technology transfer program by CTAC to State and local law enforcement in their efforts to combat drugs. Pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (Title VII of Division C of Public Law 105-277), CTAC serves as the central counterdrug research and development organization for the U.S. Government.

The Committee expects multiagency research and development programs to be coordinated by CTAC in order to prevent duplication of effort and to assure that whenever possible, those efforts provide capabilities that transcend the need of any single Federal agency. Prior to the obligation of these funds, the Committee expects to be notified by the chief scientist on how these funds will be spent; it also expects to receive periodic reports from the chief scientist on the priority counterdrug enforcement research and development requirements identified by the Center and on the status of projects funded by CTAC.

The Committee continues to believe CTAC should work closely and cooperatively with the individual law enforcement agencies in the definition of a national research and development program which addresses agency requirements with respect to timeliness, operational utility, and consistency with agency budget plans.

Last year the Committee provided additional funds for CTAC to focus on conducting substance abuse research and training Native American physicians in the field of substance abuse research. The Committee requests that the chief scientist provide periodic updates on this process.

COUNTERDRUG TECHNOLOGY TRANSFER PROGRAM

The Committee fully supports the continuation of this program and, therefore, has provided \$22,000,000 for its operation in fiscal

year 2003. The Committee believes that this program demonstrates the best that the Federal Government has to offer to State and local law enforcement in their efforts to combat drug related crimes. The Committee is encouraged by the positive reception this program has received by State and local law enforcement agencies as current requests for technology continue to outpace resources by over four to one. The Committee expects that CTAC will conduct further outreach to State and local agencies to educate them about the program. Finally, the Committee would encourage CTAC to work with private industry to make their developed technology available to State and local law enforcement through this program. The Committee requests that ONDCP report within 60 days after the date of enactment of the fiscal year 2003 appropriations bill on the number of requests received, promotion efforts to State and local law enforcement, and the effectiveness and interest in this program by these law enforcement communities.

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DRUG CONTROL PROGRAMS

HIGH-INTENSITY DRUG TRAFFICKING AREAS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	\$226,350,000
Budget estimate, 2003	206,350,000
Committee recommendation	226,350,000

The Committee recommends an appropriation of \$226,350,000, which is \$20,000,000 above the budget request. The Committee directs that funding shall be provided for the existing High Intensity Drug Trafficking Areas (HIDTA) at no less than the fiscal year 2001 level.

The Committee has included a new provision to prohibit the use of funds to consolidate management of the California, Arizona, New Mexico, and Texas partnerships in the El Paso office. Such a centralization of the Southwest Border HIDTA could undermine operational flexibility and law-enforcement support for the HIDTA program, ultimately degrading its effectiveness.

The Committee is deeply disturbed over ONDCP actions and communications with the Committee concerning the HIDTA program over the past year. The Committee provided additional funds in fiscal year 2002 for the HIDTA program to increase funding for or expand existing HDTAs, or to fund newly designated HDTAs. The Committee was not consulted when ONDCP decided how to obligate these funds, in some cases for different purposes. In addition, the Committee is concerned that those decisions were not completely thought out, and that necessary programmatic personnel were not consulted.

The Committee is aware of the continued interest in the creation of new, and expansion of existing, HDTAs. The Committee is also profoundly aware of proposals submitted to ONDCP for the additional \$20,000,000 provided by the Congress in fiscal year 2002 that went unfunded in ONDCP's spending plan. Prior to any notification or any obligation of funds, the Committee directs ONDCP to submit for approval to the Committee on Appropriations a spend-

ing plan for the additional \$20,000,000 for fiscal year 2003. The Committee directs ONDCP to review the Senate report for suggestions on how to allocate portions of the additional funds and requires ONDCP to provide a detailed explanation to the Committee on Appropriations on the reasons why any of the Senate recommendations receive an amount lower than that requested. The Committee also directs ONDCP to provide a detailed timeline and explanation to the Committee by September 30, 2002, on how the additional \$20,000,000 provided in fiscal year 2002 was obligated. This explanation should include a list of the names and titles of all parties involved in the decisions.

The HIDTA program was established by the Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization, Public Law 105-277, to provide assistance to Federal, State and local law enforcement entities operating in those areas most adversely affected by drug trafficking. In allocating the HIDTA funds, the Committee expects the Director of ONDCP to ensure that the activities receiving these limited additional resources are used strictly for implementing the strategy for each HIDTA, taking into consideration local conditions and resource requirements. These funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency. The remaining funds may be transferred to Federal agencies and departments to support Federal antidrug activities.

The Committee believes that the Director should take steps to ensure that the HIDTA funds are transferred to the appropriate drug control agencies expeditiously. To ensure that the funding allocations meet the priorities outlined in the strategies, the Committee instructs the Director to submit the strategies, along with the identification of how the funds will be spent, to the Committee for approval prior to the obligation of the funds. The Committee also expects to be notified if any changes are made in the spending plans presented to it during the course of the fiscal year. The Committee further instructs the Director to submit the updated 2003 strategies for each of the HIDTA's to the Committee for review and to obligate the HIDTA funds within 120 days of enactment of this act. This provision may be waived if a request is made to the Committee and has been approved in advance according to the normal reprogramming procedures. The Committee expects the Director to take actions necessary to ensure that all HIDTA funds are being used to support only those activities which are directly linked to the individual HIDTA strategies recommended by the HIDTA coordinators and which support the goals and objectives outlined in each of these strategies.

ROCKY MOUNTAIN HIDTA

The Committee understands that the Office of National Drug Control Policy is reviewing a proposal from the Rocky Mountain High Intensity Drug Trafficking Area to expand its operation into five counties in Montana. The Committee encourages ONDCP to closely and expeditiously review the merit of this request. However, the Committee directs that any expansion of the Rocky Mountain

HIDTA be accomplished in such a way so as not to diminish the funding currently available to the existing HIDTA entities.

ECSTASY REDUCTION INITIATIVE

The Committee is extremely concerned about the use of Ecstasy among teenagers and young adults. The use of this dangerous drug has reached alarming proportions among junior high and high school students, and the numerous fatalities associated with Ecstasy do not appear to have had any impact on the drug's popularity. The Committee encourages the Rocky Mountain HIDTA to continue the Ecstasy reduction initiative to help deal with this steadily increasing problem, with emphasis on designated counties in Colorado.

COMMUNITY INVOLVEMENT IN HDTAS

The Committee recognizes the positive impact and successes of the cooperative law enforcement arrangements of the HIDTA. As HDTAs have matured, they have demonstrated an ability to address their HIDTA-specific problems with unique and effective solutions. Many HDTAs have begun to reach outside of the law enforcement community to other organizations which affect the effort to combat drugs in our communities. The Committee has seen success in the HDTAs as they begin to incorporate the important work of those in the community itself, such as in the areas of treatment and counseling. The Committee is encouraged by this rounding out of the HDTAs' efforts and encourages the HDTAs to continue to further develop these relationships.

MIDWEST HIDTA

The Committee is concerned about the growing production, trafficking, and use of methamphetamine throughout the Midwest HIDTA. The Committee is distressed that ONDCP did not provide more funds out of the additional \$20,000,000 fiscal year 2002 to address this situation.

The Committee notes that the State of Missouri, which is part of the Midwest HIDTA, had the highest number of methamphetamine lab seizures in the country. The fight against methamphetamine places a tremendous burden on State and local law enforcement. Additional funding would allow Missouri to continue to target methamphetamine labs, and would enable ONDCP to designate additional counties as part of the Midwest HIDTA where appropriate.

BALANCED FOCUS BETWEEN URBAN AND RURAL AREAS

The Committee is also concerned about the direction ONDCP seems to be taking the HIDTA program with the new National Priority Targeting Project. According to ONDCP, this Project will enhance existing HIDTA-affiliated law enforcement efforts to curtail the availability of illegal drugs through the disruption and dismantlement of specific major drug trafficking organizations that coincide with Department of Justice National Priority Targets ("NPTs"). The Committee is concerned that this "king-pin" strategy

could significantly impact the level of support provided to cases that have been regional impact targets in the past.

GULF COAST HIDTA

The Committee recognizes that the Gulf Coast HIDTA covers the full spectrum of drug trafficking and abuse, trafficking modalities and types of criminal organizations. In its continued effort to combat these threats, the Gulf Coast HIDTA is seeking to expand into new areas of Louisiana, Mississippi, and Alabama. ONDCP is encouraged to work with Louisiana and other interested States to further their initiatives.

NEW ENGLAND HIDTA

The Committee recognizes that the growing availability and abuse of inexpensive, high-purity heroin has had a harmful impact on the New England region, resulting in an increase in the number of drug-related arrests, overdose deaths and injuries, and individuals seeking treatment for addiction. The Committee is also aware of the extraordinary challenges posed by increasing drug importation into the region across the northern U.S. border and via marine transportation. Therefore, the Committee directs ONDCP to focus additional resources on these emerging drug threats and to work with the New England HIDTA to address unmet needs in the areas of task force expansion, training, intelligence, space and equipment, with a particular focus on Rhode Island.

SOUTHWEST INDIANA

The Committee is aware of a proposal to create a HIDTA in Southwest Indiana to combat the drastic increase in the production, use and distribution of methamphetamine. The Indiana State Police, in conjunction with local and Federal officials, would target the following counties in Southwest Indiana: Benton, Clay, Crawford, Daviess, Dubois, Fountain, Gibson, Greene, Jackson, Jasper, Knox, Lawrence, Martin, Monroe, Morgan, Montgomery, Newton, Orange, Owen, Parke, Perry, Pike, Posey, Putnam, Spencer, Sullivan, Vanderburgh, Vigo and Warrick. The State of Indiana has experienced an exponential increase in the number of methamphetamine labs that have been seized—43 in 1998, 129 in 1999, 314 in 2000, and 546 in 2001. State Police estimate that they will seize over 800 labs in 2002. Recognizing current resource limitations, the Committee has provided additional discretionary funding and directs ONDCP to work with the affected counties to determine whether they meet the statutory criteria required for designation as a HIDTA.

MILWAUKEE HIDTA

The Committee understands that the ONDCP is reviewing a proposal to expand the Milwaukee HIDTA to the metropolitan areas surrounding Milwaukee along the I-94 corridor connecting Milwaukee to Chicago. This extension of the program to Racine, Kenosha and Waukesha counties would assist Milwaukee's efforts and attack the scourge of drugs in the surrounding communities. The Committee has provided additional discretionary funding and en-

courages ONDCP to work with these States and communities to determine whether they meet the statutory criteria required for designation as a HIDTA and direct the necessary resources towards this proposal.

SOUTHWEST BORDER HIDTA

The Committee recognizes the strides that have been made by the New Mexico partnership of the Southwest Border HIDTA in disrupting heroin trafficking in New Mexico. Despite these gains, however, the availability of heroin continues to be prevalent in Rio Arriba County and other counties in New Mexico. The Committee directs the Director of ONDCP to evaluate the situation and work with State and local law enforcement to provide adequate resources to target this continuing threat.

PHILADELPHIA/CAMDEN HIDTA

The Committee is aware of the current coordination of the State of Delaware with the Philadelphia/Camden HIDTA. As a result of this strong relationship, the Committee directs the Director of ONDCP to evaluate the current situation to determine whether or not Delaware meets the statutory requirements to qualify for inclusion into the Philadelphia/Camden HIDTA.

APPALACHIA HIDTA

The Committee is concerned that the three Appalachia HIDTA States, West Virginia, Kentucky, and Tennessee, along with California and Hawaii, account for over 77 percent of the domestic production of marijuana. The three Appalachia HIDTA States are also producing some of the most potent marijuana available. For fiscal year 2000, the West Virginia National Guard, which has mounted a vigorous counterdrug program in cooperation with the Appalachia HIDTA, estimates that the eradicated marijuana crop in West Virginia yielded plants valued at \$57,000,000. Therefore, the Committee directs ONDCP to work with State and local law enforcement officials to provide additional resources to combat this threat.

SOUTH CAROLINA HIDTA

The Committee is aware of a proposal to create a HIDTA in Charleston County, South Carolina. Charleston, South Carolina is the fourth largest port in the United States, with 177,000 containers annually entering the United States. The Committee understands the proposal would target, disrupt, and dismantle narcotics smuggling operations at the Ports of Charleston, Georgetown, and Port Royal, South Carolina. The Committee directs ONDCP to work with the Federal, State, and local law enforcement agencies in South Carolina to determine whether these areas meet the statutory criteria required for designation as a HIDTA.

NORTHWEST HIDTA

The Committee recognizes that Washington State has recently experienced tremendous growth in the production and use of methamphetamine. In fact, Washington is now second in the country in methamphetamine production, after California. Combating meth-

amphetamine and other illegal drugs takes a multi-faceted approach, including the use of narcotics canines and support from various Federal agencies. Washington State has recently lost a number of critical drug detecting canines. Therefore, the Committee directs ONDCP to focus additional resources on these emerging drug threats, and in particular funding for additional narcotic canines to work with the Northwest HIDTA to address unmet needs in detection and enforcement.

HIDTA EFFORTS TO COMBAT METHAMPHETAMINE IN RURAL AREAS

The Committee is concerned about the increasing threat posed by methamphetamine production, trafficking, and use, especially in rural, underpopulated areas. Recognizing that the Director of ONDCP designated the Midwest HIDTA in 1996 to specifically address this threat, the Committee encourages ONDCP to continue to focus available resources on combating this emerging drug threat not only in the Midwest HIDTA, but in all HDTAs operating in traditionally underserved areas.

SPECIAL FORFEITURE FUND

Appropriations, 2002	\$239,400,000
Budget estimate, 2003	251,300,000
Committee recommendation	172,700,000

The Committee recommends an appropriation of \$172,700,000. The Committee provides \$100,000,000 for the continuation of the National Youth Anti-Drug Media Campaign. The Committee included a total of \$5,900,000 for the United States Anti-Doping Agency.

The Anti-Drug Abuse Act of 1988, as amended, and the Office of National Drug Control Policy's reauthorization, Public Law 105-277, established the Special Forfeiture Fund to be administered by the Director of ONDCP. The monies deposited in the Fund support high-priority drug control programs and may be transferred to drug control agencies or may be directly obligated by the Director of ONDCP.

NATIONAL MEDIA CAMPAIGN

The Committee has been supportive of the national media campaign and has provided consistent funding for this program. When this program was initially funded by the Congress in fiscal year 1998, it was with the understanding that within 3 years there would be demonstrable behavior changes in America's youth with relation to drug use. To date, the Congress has provided over \$928,872,000 for this program and has done so at the expense of many other important law enforcement needs. The Committee is concerned that drug use is clearly increasing in spite of the national media campaign, leading some observers to conclude it has not had a noticeable impact on drug use among America's youth.

The May 2002 evaluation by Westat and the Annenberg School for Communication of the University of Pennsylvania confirmed numerous concerns over the effectiveness of the media campaign. It concluded that while there appears to be a favorable effect on parents, youth—the target audience for the program—do not seem to

obtain similar benefits. It was the intent of both the authorizers and the appropriators to affect the behavior of drug use among youth over the course of a 5-year program. Unfortunately, we find ourselves back at square one after spending close to \$1,000,000,000 of taxpayer money.

The Committee held a hearing on this subject on June 19, 2002, shortly after the release of the Westat evaluation. The issues raised during the hearing highlighted the numerous controversies associated with the campaign and speculation regarding the cause. ONDCP is staking the future of the media campaign on an advertising effort it developed outside the parameters and participants specified in the authorization. ONDCP also stated that to move forward with the campaign, additional testing needed to be performed prior to any airing of advertising. The Committee agrees with the Director on fully testing the advertising.

The Committee has cautioned ONDCP for a number of years about the growing number of controversies and maintaining the true essence of the program as authorized by Congress. Recent events have resulted in a loss of the Committee's confidence in the management of the campaign, and the reason the Committee has decreased the allocation for the campaign.

DRUG-FREE COMMUNITIES ACT

The accelerating rate of drug use by young Americans is a major concern that must be addressed. The Committee, therefore, provides \$60,000,000 in support of the Drug-Free Communities Act. These funds will be used to support the establishment of local counterdrug efforts that are characterized by strong conditions for local initiatives, support, and accountability. In addition, the requirement for participating communities to match funding will help ensure the degree of commitment necessary to succeed.

The Drug Free Communities Support Program Reauthorization (Public Law 107-82) authorized ONDCP to make a grant to establish a National Community Anti-Drug Coalition Institute. ONDCP instead solicited applications for a cooperative agreement. The sponsors of the provision did not intend for the National Community Anti-Drug Coalition Institute to be hampered by layers of bureaucracy which duplicate current efforts.

Congress created an advisory commission to oversee and guide the program when it authorized the Drug Free Communities Support Program in 1997. Creating a second advisory committee to oversee the National Community Anti-Drug Coalition Institute is a needless duplication and expense. In addition, avoiding programmatic duplications of effort should be the responsibility of ONDCP, and should not be shifted to the grant recipient.

The requirements for a grant recipient were clearly written in the authorizing legislation, and the sponsors of the reauthorization legislation are unaware of any organization besides the Community Anti-Drug Coalitions of America who meet these qualifications. As a result, the Committee has included language directing ONDCP to provide a \$2,000,000 grant directly to the Community Anti-Drug Coalitions of America to establish and maintain the National Community Anti-Drug Coalition Institute.

NATIONAL DRUG-FREE WORKPLACE

The Committee recognizes the work of the National Drug-Free Workplace Alliance to promote and assist the establishment of drug-free workplace programs and provide comprehensive drug-free workplace services to businesses. In addition, the Committee understands that the Alliance provides technical assistance and up-to-date workplace substance abuse information to communities, drug-free workplace organizations, and other similar groups through a national network of experts and professionals with drug-free workplace interests. The Committee urges ONDCP to work with the National Drug-Free Workplace Alliance as it coincides with ONDCP's mission and encourages cooperative efforts relating to the National Clearinghouse.

UNITED STATES ANTI-DOPING AGENCY

The Committee provides \$5,900,000 for efforts of the United States Anti-Doping Agency (USADA) under the Special Forfeiture Fund. The Committee directs ONDCP to provide the entire amount directly to USADA within 30 days after enactment.

USADA was created to oversee testing, education, research, and adjudication on behalf of America's athletes participating in the Olympic, Pan American, and Paralympic Games. The Committee has provided additional funds to increase the number of "No-Advanced-Notice" tests, to increase research funding at university and research laboratories, and to expand their efforts to educate the youth of America on health issues and the ethics of competing fairly in sport. The Committee continues to be impressed with the operations of this new agency and wishes to congratulate them on the international recognition of their efforts.

DRUG COURT INSTITUTE

The Committee provides \$1,000,000 for the National Drug Court Institute. The Committee is aware of the extraordinary growth in drug courts across the country and the important training of new drug courts that the Institute provides. Drug courts provide an effective means to fight drug-related crime through the cooperative efforts of State and local law enforcement, the judicial system, and the public health treatment network.

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

Appropriations, 2002	\$4,629,000
Budget estimate, 2003	4,629,000
Committee recommendation	4,658,000

The Committee recommends \$4,658,000 for the Committee for Purchase From People Who Are Blind or Severely Disabled (CPPBSD). The increase above the request is for pay parity.

The CPPBSD administers the Javits-Wagner-O'Day Act (JWOD) of 1971, as amended. Its primary objective is to use the purchasing power of the Federal Government to provide people who are blind or have other severe disabilities with employment and training that will develop and improve job skills as well as prepare them for employment options outside the JWOD program. In fiscal year 2003, the Committee's goal is to employ approximately 50,000 people who are blind or have other severe disabilities in 650 producing nonprofit agencies. The Committee's duties include promoting the program; determining which products and services are suitable for Government procurement from qualified nonprofit agencies serving people who are blind or have other severe disabilities; maintaining a procurement list of such products and services; determining the fair market price for products and services on the procurement list; and making rules and regulations necessary to carry out the purposes of the Act. In fiscal year 2003, the Committee's goal is to have sales of \$1.6 billion.

The Committee staff's responsibilities include promoting and assessing the overall program; supervising the selection and assignment of new products and services; assisting in establishing prices; reviewing and adjusting these prices; verifying the qualifications of nonprofit agencies; and monitoring their performance.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriations, 2002	\$43,689,000
Budget estimate, 2003	45,244,000
Committee recommendation	45,668,000

The Committee recommends an appropriation of \$45,668,000 for the Federal Election Commission. The increase above the President's request is for pay parity.

The Federal Election Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

FEDERAL LABOR RELATIONS AUTHORITY
SALARIES AND EXPENSES

Appropriations, 2002	\$26,524,000
Budget estimate, 2003	28,684,000
Committee recommendation	28,950,000

The Committee recommends an appropriation of \$28,950,000 for the Federal Labor Relations Authority. The increase above the President's request is for pay parity.

The Federal Labor Relations Authority (FLRA) serves as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations statute, decides major policy issues, prescribes regulations, and disseminates information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the FLRA gives full recognition to the role of the Federal Government as an employer.

In addition, the FLRA is engaged in case-related interventions and training and facilitation of labor-management partnerships and in resolving disputes. FLRA promotes labor-management cooperation by providing training and assistance to labor organizations and agencies on resolving disputes, facilitates the creation of partnerships, and trains the parties on rights and responsibilities under the Federal Relations Labor Relations Management statute.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF
REVENUE

(INCLUDING TRANSFER OF FUNDS)

The Federal Buildings Fund program consists of the following activities financed from rent charges:

Construction and acquisition of facilities.—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

Repairs and alterations.—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

Installment acquisition payments.—Payments are made for liabilities incurred under purchase contract authority and lease purchase arrangements. The periodic payments cover principal, interest, and other requirements.

Rental of space.—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal

Service facilities, 153 million rentable square feet in fiscal year 2002, and 157 million rentable square feet in fiscal year 2003.

Building operations.—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, protection, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund.

Other programs.—When requested by Federal agencies, the Public Buildings Service provides building services such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property trust fund have been combined with the Federal Buildings Fund.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2002	\$662,680,000
Limitation on availability, 2003	556,574,000
Committee recommendation	653,913,000

The Committee recommends \$653,913,000 for the construction and acquisition account. The Committee recommendation is \$97,339,000 above the President's request.

COURTHOUSE CONSTRUCTION

The Committee encourages the General Services Administration (GSA), the administration, and the judiciary to continue to work cooperatively to develop a single comprehensive plan upon which courthouse construction will be based. The Committee continues to believe that a model should incorporate utilization rates, courtroom sharing, and safety considerations. The use of cost savings measures and careful planning will result in a program that can be consistently supported. The Committee notes, however, that it has been extremely supportive of addressing the courthouse construction backlog. The Committee would remind the Administrative Office of the U.S. Courts (AOC) and other organizations that the Committee has adhered to the jointly agreed to priority list and that the Congress is constrained by overall budget resolutions and spending caps from accommodating every request.

COURTROOM SHARING

The Committee is aware of conflicting information regarding the issue of courtroom sharing. The Committee is concerned that in spite of the strict budgetary pressures facing the Federal Government, AOC fails to pursue a policy of fiscal restraint and approaches the Congress for increases in courthouse construction funding above the Administration's request. The Congress and the Administration have worked diligently to reign in court construction costs and the Committee will continue to pursue all avenues with respect to cost containment with or without the support of the Courts.

The Committee notes that the General Accounting Office (GAO), in a December 2000 report to the Congress on this issue, analyzed the data used in a courtroom sharing study commissioned by the Courts. That study criticized a 1997 GAO report on the same issue. GAO noted that the Courts did not agree with its recommendations, yet also commented that the AOC “did not provide any data, analysis, or rationale that would give us [GAO] an adequate basis for changing or dropping” the recommendations. The Committee concurs with GAO’s concerns and urges the AOC to provide the Committee with persuasive courtroom use data and analysis, along with its views, to justify the number of courtrooms being requested in future courtroom construction requests.

PORT OF ENTRY INFRASTRUCTURE

The Committee notes that it has been over 2 years since the Port of Entry Infrastructure Assessment Study was delivered to the Congress. That study was required as part of the fiscal year 2000 Treasury and General Government Appropriations Act and included detailed input from the U.S. Customs Service, the Immigration and Naturalization Service, and GSA. The study identified an enormous backlog of 822 individual infrastructure requirements at our Nation’s border crossings at an estimated gross cost of \$784,000,000.

The events of September 11, 2001 refocused the Nation’s attention on the need to reinforce our borders. While this Committee has fully funded the administration’s past requests for border facility construction and repair, those projects merely scratch the surface of what is required to robustly address the infrastructure backlog. The proposed creation of a new Department of Homeland Security, with its proposed combining of the various existing border agencies, offers the opportunity to address this facilities backlog in a cohesive manner.

The Committee therefore directs GSA, in consultation with the Office of Management and Budget, the U.S. Customs Service, the Immigration and Naturalization Service, and any successor border entity which might be created within the proposed new Department of Homeland Security, to update the study and submit it to the Congress no later than March 14, 2003.

The Committee also directs that the study identify port of entry infrastructure and technology improvements which enhance border security and facilitate the flow of legitimate commerce. The Committee urges that the study, to the greatest extent possible, prioritize projects based on the ability of the project to fulfill immediate security requirements and facilitate trade across the borders. The Committee recommends that the annual courthouse construction projects prioritization list submitted by the Administrative Office of the U.S. Courts be used as a model for this effort.

CHAMPLAIN PORT OF ENTRY

The Committee acknowledges the untenable conditions at the Champlain, New York port of entry and is aware that the General Services Administration is currently designing a new border facility to improve the safety and efficiency of this critical United States and Canada trade corridor. The Committee urges the Administra-

tion to make the completion of the Champlain port of entry a high priority and to include construction funding for the facility in the fiscal year 2004 budget request.

BURLINGTON, VT COURTHOUSE

The Committee is pleased that Burlington, VT is included in the list of recommended future construction projects provided by the Administrative Office of the U.S. Courts. The Committee expects GSA to move forward with this project in an expeditious manner and give priority to central business districts when selecting a location for the new building.

ROSENN FEDERAL COURTHOUSE

The Committee is aware of the shortage of parking in and around the Rosenn Federal Courthouse in Wilkes-Barre, Pennsylvania, which has caused a number of inconveniences for both employees and visitors to the facility. The Committee encourages GSA to work with the community to address this parking issue, utilizing up to \$1,000,000 from funds provided for the construction non-prospectus account.

FABENS BORDER STATION

The border station at Fabens in El Paso County, Texas consists of temporary buildings. The old permanent station is empty and dilapidated. A new inspection facility is needed and will be located on a 90-acre site that is part of the 240 acres the County of El Paso will acquire. There is also sufficient land at the site so that the Texas Department of Transportation can construct a truck inspection facility close to the Federal facility. It is estimated that the Federal share of costs associated with construction of a border station at Fabens will be \$17,250,000. In order to get this much-needed project started, the Committee has provided \$2,250,000 for engineering and architectural fees associated with the design of the port facilities.

REPAIRS AND ALTERATIONS

Limitation on availability, 2002	\$869,376,000
Limitation on availability, 2003	986,029,000
Committee recommendation	995,589,000

The Committee recommends new obligational authority of \$995,589,000 for repairs and alterations in fiscal year 2003. This amount is \$9,560,000 above the President's request.

Under this activity, the General Services Administration (GSA) executes its responsibility for repairs and alterations (R&A) of both Government-owned and leased facilities under the control of GSA. The major goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility. A major portion of the fiscal year 2003 program is devoted to nondiscretionary work necessary to meet this goal and keep the buildings in an occupiable condition.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building

managers. The work identified through these inspections is programmed in order of priority into the repairs and alterations construction automated tracking system (RACATS) and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Beginning in fiscal year 1995, design and construction services activities associated with the repair and alteration projects are funded in this account.

The R&A program, for purposes of funds control, is divided into two types of projects—line item and nonline item. The following is a definition of each category of projects:

Line item projects.—Line item projects are those larger projects for which a prospectus is required under the provisions of the Public Buildings Act of 1959. Generally, line item projects are similar to construction projects in the scope of work involved and the multiyear timeframe for project completion. Line item projects are listed individually in GSA's appropriations acts and the obligational authority for each project is limited to the amount shown therein.

Nonline item projects.—Projects included in this category are generally short term in nature and funds can normally be obligated within a 1-year period. This category also includes projects which are recurring in nature, such as cyclic painting and the minor repair of defective building systems; for example, mechanical, plumbing, electrical, fire safety, and elevator system components.

ROGERS COURTHOUSE RENOVATION PROJECT

The Committee provided funding for the design of the Rogers Courthouse renovation project in Denver, Colorado, in fiscal year 2002 with the expectation that the construction funding, estimated to be \$40,000,000, would be requested in fiscal year 2003. However, due to funding constraints, that level of funding is not available within the Federal Buildings Fund. The timing of the project had been planned to coordinate with the completion of the new Denver courthouse later this year which will house the judicial offices currently occupying the Rogers Courthouse while renovations are underway. Therefore, in an effort to keep this project moving forward, the Committee has included an additional \$9,000,000 for demolition and asbestos removal. The Committee fully expects that the remaining construction funds will be requested as part of the fiscal year 2004 budget submission.

PITTSBURGH U.S. POST OFFICE AND COURTHOUSE

The Pittsburgh U.S. Post Office and Courthouse was completed in 1934 and must be expanded to accommodate the U.S. Courts. Needed alterations include an upgrade of the building's exterior, plaza and parking ramp improvements, installation of a fire safety system, and expansion of the severely undersized main lobby. The Committee provided much needed funding for this project in fiscal year 2002. However, in order to complete the project, the Committee has provided an additional \$2,810,000 in fiscal year 2003 for facade and window repairs, sprinkler system testing drains, mill-work repairs, refurbishment of the lobbying revolving doors, sani-

tary/storm pipe repairs, corridor restoration, and replacement of basement garage doors.

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2002	\$186,427,000
Limitation on availability, 2003	178,960,000
Committee recommendation	178,960,000

The Committee recommends a limitation of \$178,960,000 for installment acquisition payments. The Committee recommendation equals the budget estimate.

The Public Buildings Amendments of 1972 enables GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. The purchase contracts require the Government to make periodic payments on these facilities over varying periods until title is transferred to the Government. This activity provides for the payment of principal, interest, taxes, and other required obligations related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 602a).

RENTAL OF SPACE

Limitation on availability, 2002	\$2,952,050,000
Limitation on availability, 2003	3,153,211,000
Committee recommendation	3,153,211,000

The Committee recommends a limitation of \$3,153,211,000 for rental of space. The Committee recommendation is equal to the budget estimate.

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except cases where GSA has delegated its leasing authority (for example, the Department of Veterans Affairs, as well as the Departments of Agriculture, Commerce, and Defense). GSA's policy is to lease privately owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

BUILDING OPERATIONS

Limitation on availability, 2002	\$1,748,949,000
Limitation on availability, 2003	1,965,160,000
Committee recommendation	1,971,030,000

The Committee recommends a limitation of \$1,971,030,000 for building operations.

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property manage-

ment and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, GSA also provides varying levels of above-standard services in agency headquarter facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

POLICY AND CITIZEN SERVICES

SALARIES AND EXPENSES

Appropriations, 2002	
Budget estimate, 2003	\$65,995,000
Committee recommendation	75,304,000

The Committee recommends an appropriation of \$75,304,000 for salaries and expenses for the policy and operations of the General Services Administration. This amount is \$9,309,000 above the President's request.

Office of Governmentwide Policy provides for Government-wide policy development, support, and evaluation functions associated with real and personal property, supplies, vehicles, aircraft, information technology, acquisition, transportation and travel management. This office also provides for the Federal Procurement Data Center, Workplace Initiatives, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat. The Office of Governmentwide Policy, working cooperatively with other agencies, provides the leadership needed to develop and evaluate the implementation of policies designed to achieve the most cost-effective solutions for the delivery of administrative services and sound workplace practices, while reducing regulations and empowering employees.

Office of Citizen Services provides leadership and support for electronic government initiatives and operates the official Federal portal through which citizens may access Federal information services electronically. The Federal Consumer Information Center is part of this office, though funded under a separate appropriation.

CHILD CARE CENTERS

The Committee recommends that funds provided to the Office of Policy and Operations continue to be used to issue and enforce regulations requiring any entity operating a child care center in a facility owned or leased by an executive agency to (1) comply with applicable State and local licensing requirements related to the provision of child care and (2) comply with center-based accreditation standards specified by the Administrator, if such a regulatory program is authorized.

VIRTUAL ARCHIVE STORAGE TERMINAL

The Committee recognizes that in the interest of national security, it is imperative to enhance and expand the capability to capture and archive electronic data on a government-wide scale. As such, the Committee provided funds in fiscal year 2002 to continue development of data mining tools to instantly extract and match data from multiple sources to resolve the critical security issues of today's environment. The Committee recognizes the important advancements of the Virtual Archive Storage Terminal (VAST) and the importance of adding the high performance computing capability of this data mining system and has included \$2,500,000 to continue this research effort.

COMPUTERS TO SCHOOLS PROGRAM

The Committee is aware that Indian tribal colleges and Alaska Native and Native Hawaiian serving institutions are being asked to undertake an increasing number of activities in Native communities related to education, employment and other training as part of the ongoing "welfare to work" transition mandated by the 1996 welfare reform law. To complement recent private sector donations of computers and related equipment to Indian tribes and Alaska Native and Native Hawaiian serving institutions, as part of its existing "Computers to Schools" program, the General Services Administration (GSA) is encouraged to work with the 31 Indian tribal colleges and Alaska Native and Native Hawaiian serving institutions to provide assistance to them in developing and upgrading the colleges' electronic capabilities. As part of this effort, GSA should utilize the 31 tribal colleges and Alaska Native and Native Hawaiian serving institutions as a discrete evaluation point as it works to meet these equipment needs. GSA's technical assistance will further enable the tribal colleges and Alaska Native and Native Hawaiian serving institutions to provide a higher quality of education to their students.

DIGITAL LEARNING TECHNOLOGIES

The Committee has provided an additional \$500,000 to continue the development, demonstration, and research of the digital medical education project in connection with the Upper Great Plains Native American Telehealth Program.

TELECOMMUTING CENTERS

The Committee encourages GSA to continue to promote telecommuting centers within the Federal Government in the Washington DC metro area as an effective means to provide an alternative workplace.

FEDERAL OFFICE BUILDING IN COLORADO SPRINGS

The Federal building located at 1520 Willamette Avenue in Colorado Springs, Colorado, is owned by GSA and is currently leased to the U.S. Air Force Space Command. It is the Committee's understanding that Space Command is moving ahead with options to vacate the facility. In the event that Space Command does not renew its lease and the facility becomes vacant and is deemed surplus,

the Committee urges GSA to strongly consider the U.S. Olympic Committee's (USOC) need for additional space and to give priority to the USOC's request to gain title or acquire the property.

GOVERNMENT RURAL OUTREACH INITIATIVE

The Committee is pleased with the work performed thus far on this rural areas outreach initiative. The Committee notes that the funds provided in fiscal year 2002 enabled the launching of the initiative to make electronic government services accessible to rural residents and to study and develop the technologies needed to ensure secure transactions of private information. The Committee has provided an additional \$1,750,000 to continue this initiative.

UNITED STATES CONSENSUS COUNCIL

The Committee is aware of a bipartisan effort to create a United States Consensus Council. The response by national leaders to the attacks of September 11, 2001 has demonstrated the benefits of working together across party and political lines to address the Nation's most urgent priorities. The Council would provide ongoing support to Congress by bringing conflicting stakeholders to the table to resolve a wide range of difficult national policy issues. The Committee has provided \$1,000,000, subject to enactment of the authorizing legislation, to initiate this effort.

VETERANS' ORAL HISTORY

The Committee strongly supports efforts of various organizations to make oral history recordings of the veterans of the Nation's foreign wars. The Committee has provided \$250,000 for a grant to the North Dakota State Historical Society for costs associated with this effort in the State.

GSA FLEET VEHICLE STUDY

The Committee is aware of commercially-available technologies for standard vehicles that significantly improve fuel efficiencies and reduce harmful emissions through fuel treatments and catalysts. The Committee directs GSA to explore the use of these technologies and, if determined to be appropriate and economically feasible, incorporate them into GSA Fleet vehicles. The Committee directs GSA to report its findings to the Committee within 1 year.

FEDERAL BUILDING ACCESS

The Committee has learned that not all Federal identification is acceptable for immediate access to all Federal facilities. Rather, the tenants of some Federal Buildings have decided that only identification for staff who actually work in the building would allow immediate access and all other Federal visitors must wait in line to sign in before being allowed to enter. While the Committee understands the necessity for strict security, this inconsistency has created problems in some areas. Therefore, the Committee requests that GSA review this situation and report back by March 14, 2003 on their recommendations for a resolution to this problem.

FINANCIAL TRANSACTION SOFTWARE

The Committee acknowledges the growing homeland security requirement to provide enhanced security for financial transactions. The Committee is aware of the efforts of organizations, such as the New York Institute for Advanced Studies in Software and Information Technology, to research and develop software focused on securing these transactions and has included \$1,500,000 to assist in this effort.

BATON ROUGE DOWNTOWN AREA

The Committee is aware of the long history between the City of Baton Rouge, Louisiana and the GSA regarding the construction of the Russell B. Long Federal Building and United States Courthouse and the subsequent loss of the World War I-era Victory Park. The Committee has provided an additional \$1,500,000 for this account and directs GSA to work with the City on a suitable solution to this outstanding issue of concern.

ANGEL ISLAND IMMIGRATION STATION

The Committee directs the GSA to submit a report to the Committee by January 1, 2003 on the status of the Angel Island Immigration Station which outlines the role of the GSA, the National Archives, the National Park Service, and any other relevant Federal agency in the effort to properly maintain, preserve and restore the Station as a national landmark.

OPERATING EXPENSES

SALARIES AND EXPENSES

Appropriations, 2002 .....	.....
Budget estimate, 2003	\$88,263,000
Committee recommendation	87,674,000

The Committee recommends \$87,674,000 for this account, which includes \$534,000 for pay parity.

Provides for the personal property utilization and donation activities of the Federal Supply Service and for the real property utilization and disposal activities of the Public Buildings Service, as well as agency-wide management and administration. These programs include utilization of real and personal property by Federal agencies and the transfer among agencies of excess real and personal property; disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus real property pending its disposition; appraisal of excess and surplus property, necessary environmental and cultural analyses, reuse planning, and real property utilization surveys; Indian Trust Accounting, administrative support of Congressional District and Senate State offices, and Critical Infrastructure Protection initiatives in the Federal Technology Service including the Federal Computer Incident Response Capability, the focal point for detecting and responding to attacks on Federal civilian computer systems, and responsibilities for the Federal Public Key Infrastructure Steering Committee and its activities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	\$36,346,000
Budget estimate, 2003	37,617,000
Committee recommendation	37,916,000

The Committee recommends an appropriation of \$37,916,000 for the Office of Inspector General. The increase above the request is for pay parity.

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within the General Services Administration (GSA), which create conditions for existing or potential instances of fraud, waste and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

ELECTRONIC GOVERNMENT (E-GOV) FUND

Appropriations, 2002	\$5,000,000
Budget estimate, 2003	45,000,000
Committee recommendation	45,000,000

The Committee has agreed with the administration's request to create a new account to support interagency electronic government or "e-gov" initiatives, and has recommended an appropriation of \$45,000,000, to remain available through fiscal year 2004. This will allow the administration to begin this effort to develop and implement innovative uses of the Internet and other electronic media to provide individuals, businesses, and other Government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. It is hoped that the resulting initiative will allow agencies to provide the public with optional use and acceptance of electronic information, services, and signatures by October 2003 as required under the Government Paperwork Elimination Act.

Proposals for funding must meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. The Office of Management and Budget would control the allocation of the fund and direct its use for information systems projects and affect multiple agencies and offer the greatest improvements in access and service.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2002	\$3,196,000
Budget estimate, 2003	3,339,000
Committee recommendation	3,344,000

The Committee recommends \$3,344,000 for allowances and office staff for former Presidents. The increase above the request is for pay parity.

This appropriation provides support consisting of pensions, office staffs, and related expenses for former Presidents Gerald R. Ford, Jimmy Carter, Ronald Reagan, George Bush, and William Jefferson Clinton, and for pension and postal franking privileges for the widow of former President Lyndon B. Johnson.

Below is listed a detailed breakdown of the fiscal year 2003 funding:

GENERAL SERVICES ADMINISTRATION—ALLOWANCES AND OFFICE STAFF FOR FORMER
PRESIDENTS

[In thousands of dollars]

	Fiscal year 2003 request—former Presidents					Widows	Total
	Ford	Carter	Reagan	Bush	Clinton		
Personnel Compensation	96	96	96	96	150	.....	534
Personnel Benefits	24	6	24	35	56	.....	145
Benefits for Former Presidents	170	170	170	170	175	20	875
Travel	50	2	16	58	58	.....	184
Rental Payments to GSA	112	102	140	174	436	.....	964
Communications, Utilities and Miscellaneous charges:							
Telephone	25	25	17	14	29	.....	110
Postage	9	20	10	14	22	2	77
Printing	6	5	13	12	15	.....	51
Other Services	14	67	20	26	82	.....	209
Supplies & Materials	11	6	21	11	25	.....	74
Equipment	4	9	3	64	36	.....	116
Total Obligations	521	508	530	674	1,084	22	3,339

GSA GENERAL PROVISIONS

The Committee has recommended the inclusion of the following general provisions:

Section 401 continues a provision which authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 402 continues a provision which authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 403 continues a provision which authorizes GSA to transfer funds within the Federal buildings fund for meeting program requirements.

Section 404 continues a provision which limits funding for courthouse construction which does not meet certain standards of a capital improvement plan.

Section 405 continues a provision which provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Section 406 continues a provision which allows pilot information technology projects to be repaid from the information technology fund.

Section 407 continues a provision which authorizes GSA to pay claims up to \$2,000,000 from construction projects and acquisition of buildings.

Section 408 is a new provision which requires approval from the Committees on Appropriations for space leased by GSA for longer than 10 years.

Section 409 is a new provision to name the Judge Dan M. Russell, Jr. Federal Building and United States Courthouse in Gulfport, Mississippi.

Section 410 is a new provision to name the Alfonse M. D'Amato United States Courthouse in Central Islip, New York.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

Appropriations, 2002	\$30,555,000
Budget estimate, 2003	31,790,000
Committee recommendation	32,027,000

The Committee recommends an appropriation of \$32,027,000 for the Merit Systems Protection Board (MSPB). The increase above the President's request is for pay parity.

MSPB assists Federal agencies in running a merit-based civil service system. This is accomplished on a case-by-case basis through hearing and deciding employee appeals, and on a systemic basis by reviewing significant actions and regulations of the Office of Personnel Management (OPM) and conducting studies of the civil service and other merit systems. These actions are designed to assure that personnel actions taken against employees are processed within the law, and that actions taken by OPM and other agencies support and enhance Federal merit principles.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Appropriations, 2002	\$2,520,000
Budget estimate, 2003	2,594,000
Committee recommendation	2,626,000

The Committee has recommended a limitation of \$2,626,000 on the amount to be transferred from the civil service retirement and disability fund to the Board to cover administrative expenses to adjudicate retirement appeals cases. The increase above the President's request is for pay parity.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Appropriations, 2002	\$1,996,000
Budget estimate, 2003	1,996,000
Committee recommendation	1,996,000

The Committee recommends an appropriation of \$1,996,000 for these activities of the Morris K. Udall Foundation. The Committee includes language to allow up to 60 percent of the appropriation to

be used for the expenses of the Native Nations Institute. The Committee also includes language requiring the Foundation to report to the Committee on the amount of funding, if any, transferred from the Trust Fund for the Native Nations Institute, and directs that this report include an itemization of planned Native Nations Institute expenditures for fiscal year 2003. The Committee further directs the Foundation to describe as part of the report its justification for such a transfer. Future budget justifications submitted to Congress regarding this effort are to contain detailed information on the actual expenditures of past years as well as detailed information on planned expenditures for the current and budget years.

The General Fund payment to the Morris K. Udall Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall Foundation. The Foundation awards scholarships, fellowships and grants, and funds activities of the Udall Center.

Public Law 106–568 authorized the Morris K. Udall Foundation to establish training programs for professionals in health care policy and public policy, such as the Native Nations Institute (NNI). NNI, based at the University of Arizona, will provide Native Americans with leadership and management training and analyze policies relevant to tribes.

MORRIS K. UDALL ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2002	\$1,309,000
Budget estimate, 2003	1,309,000
Committee recommendation	1,309,000

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by Public Law 105–156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall Foundation, and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties to the table, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to reach consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution, and can help parties in selecting an appropriate neutral.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriations, 2002	\$245,847,000
Budget estimate, 2003	256,731,000
Committee recommendation	249,875,000

The Committee recommends an appropriation of \$249,875,000 for Operating Expenses of the National Archives and Records Administration (NARA). The Committee has not included funding for Homeland Security records activities because the funds cannot be

obligated during fiscal year 2003. The Committee has included \$144,000 for pay parity.

NARA provides for basic operations dealing with management of the Government's archives and records, operation of Presidential Libraries, and for the review for declassification of classified security information.

Records services.—This activity provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government; the historical materials and Presidential records in Presidential Libraries; for preparing related publications and exhibit programs; and for conducting the appraisal of all Federal records.

Through the records declassification program, historically valuable information in the records of the Federal Government and in donated historical materials are made available to the public by declassifying as much information as possible without endangering the national security.

This activity also provides oversight for the information security program established by Executive Order 12958 as amended by Executive Order 13142 and reports annually to the President on the status of that program. It is also responsible for policy oversight for the National Industrial Security Program established under Executive Order 12829.

NARA, in research and development collaboration with national and international partners, is building an Electronic Records Archives (ERA) that will ensure the preservation of, and access to, Government electronic records. The pace of technological progress makes formats in which the records are stored obsolete within a few years, threatening to make them inaccessible even if they are preserved intact. ERA will preserve electronic records, regardless of the original format, retain them indefinitely, and enable requesters to access them on computer systems now and in the future.

Archives related services.—This activity provides for the publication of the Federal Register, the Code of Federal Regulations, the U.S. Statutes-at-Large, and Presidential documents, and for a program to improve the quality of regulations and the public's access to them. It also includes the administration and reference services portion for the National Historical Publications and Records Commission. This Commission makes grants nationwide to preserve and publish records that document American history.

Archives II Facility.—Provides for construction and related services of the new archival facility which was opened to the public in 1993. Costs of construction are financed by \$302 million of federally guaranteed debt issued in 1989. Since 1994 and continuing in 2003, the Archives seeks appropriations for the annual payments for interest and redemption of debt to be made under the contract for construction and related services.

Homeland security information sharing.—Provides for training personnel at the State and local level in the proper use and handling of classified and sensitive but unclassified homeland security information. Funding will also be used to facilitate security clearances for appropriate individuals at the State and local level, and

to ensure that Federal agencies have the necessary classification authority for homeland security information.

VETERAN'S RECORDS PROCESSING

The Committee is pleased to note the exceptional progress being made by the National Military Personnel Records Center, St. Louis, MO in responding to requests for military service records. The Center is ahead of the goals presented to the Committee at the beginning of the year with over 33 percent of requests being fully answered within 10 days and almost half of all requests being filled within 15 days of receipt. The Committee applauds the work of the staff of the Center and requests a report update with the submission of next year's budget.

ARCHIVES FACILITIES REPAIRS AND RESTORATION

Appropriations, 2002	\$40,143,000
Budget estimate, 2003	10,458,000
Committee recommendation	14,208,000

The Committee recommends an appropriation of \$14,208,000. The Committee has included \$3,750,000 to acquire land in Anchorage, Alaska to build a new regional archives and records facility. The funds will be used to reimburse the General Service Administration for land acquisition services and for the purchase of approximately 10 acres of land.

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential Libraries nationwide, and provides adequate storage for holdings. It will better enable the National Archives to maintain its facilities in proper condition for public visitors, researchers, and employees in NARA facilities, and also maintain the structural integrity of the buildings. These funds will determine appropriate options for preserving and providing access to 20th century military service records. These funds will allow NARA to complete preliminary design studies and analysis, including workflow and cost estimates, for housing and access options for these massive and valuable records. Technology and facility approaches will be examined.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2002	\$6,436,000
Budget estimate, 2003	5,000,000
Committee recommendation	8,000,000

The Committee recommends an appropriation of \$8,000,000. This amount is \$3,000,000 above the budget request.

The National Historical Publications and Records Commission (NHPRC) provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, NHPRC helps State, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users.

Records Center Revolving Fund.—The NARA Records Center Revolving Fund provides low cost services, on a standard price basis, to Federal agency customers for quality storage and accession, reference, refile, and disposal services for records stored in service centers.

National Archives Gift Fund.—The National Archives Trust Fund Board may solicit and accept gifts or bequests of money, securities, or other personal property, for the benefit of or in connection with the national archival and records activities administered by the National Archives and Records Administration (44 U.S.C. 2305).

In accordance with 44 U.S.C. 2112, the Bush Presidential Library received a \$4 million endowment from the Bush Library Foundation. The money was deposited in the gift fund and invested in accordance with established National Archives Trust and Gift Fund procedures. Income earned on the investment will be used to offset a portion of the Library's operation and maintenance costs.

National Archives Trust Fund.—The Archivist of the United States furnishes, for a fee, copies of unrestricted records in the custody of the National Archives (44 U.S.C. 2116). Proceeds from the sale of copies of microfilm publications, reproductions, special works, and other publications, as well as admission fees to Presidential Library museum rooms, are deposited in this fund (44 U.S.C. 2112, 2307).

STATEHOOD INITIATIVE

Communities in Hawaii and Alaska are preparing to celebrate the 50th anniversary of Alaska and Hawaii Statehood. The Committee provides \$500,000, to be split evenly between the University of Hawaii and the University of Alaska, to catalog the historic records and artifacts relating to Statehood, and to improve the exhibit presentation in preparation for the Statehood celebrations.

JOHN ADAMS COLLECTION

The Committee is aware of the interest of the Boston Public Library in preserving and making accessible to scholars, researchers, and the general public its holdings of the John Adams collection. The Committee has provided an additional \$500,000 to this account to assist in this effort in accordance with NHPRC guidelines.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2002	\$10,117,000
Budget estimate, 2003	10,488,000
Committee recommendation	10,557,000

The Committee recommends an appropriation of \$10,557,000 for salaries and expenses of the Office of Government Ethics (OGE) in fiscal year 2003. The increase above the President's request is for pay parity.

OGE is charged by law to provide overall direction of Executive Branch policies designed to prevent conflicts of interest and insure high ethical standards. OGE carries out these responsibilities by developing rules and regulations pertaining to conflicts of interest,

post employment restrictions, standards of conduct, and public and confidential financial disclosure in the Executive Branch; by monitoring compliance with the public and confidential disclosure requirements of the Ethics Reform Act of 1978 and the Ethics Reform Act of 1989 to determine possible violations of applicable laws or regulations and recommending appropriate corrective action; by consulting with and assisting various officials in evaluating the effectiveness of applicable laws and the resolution of individual problems; and by preparing formal advisory opinions, informal letter opinions, policy memoranda, and Federal Register entries on how to interpret and comply with the requirements on conflicts of interest, post employment, standards of conduct, and financial disclosure.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriations, 2002	\$99,636,000
Budget estimate, 2003	128,804,000
Committee recommendation	129,686,000

The Committee recommends an appropriation of \$129,686,000 for the salaries and expenses of the Office of Personnel Management (OPM). The increase above the President's request is for pay parity.

OPM is responsible for personnel management functions which include the following activities:

Merit systems oversight and effectiveness.—Includes evaluating human resources management in Federal agencies through various methods including on-site reviews and special studies; administering classification appeals, Fair Labor Standards Act, and Intergovernmental Personnel programs to ensure that agencies adhere to the statutory requirements; helping agencies develop merit-based human resources management accountability; assessing the effectiveness of Government-wide human resources management policies and programs, and serving as a clearinghouse for best practices; testing and evaluating innovative human resources management practices and systems, including demonstration projects; providing readily accessible statistics on the Federal workforce; and administering parts of the Voting Rights Act of 1965.

Employment service.—Provides leadership and manages the merit-based employment system for the Federal Government. In partnership with agencies, the Service provides a high-quality, diverse workforce through a mix of policy direction, technical assistance, and reimbursable services. These operations are carried out through a network of Service Centers throughout the country.

Retirement and Insurance.—This activity encompasses administration of earned employee benefits for Federal employees, retired Federal employees, and their families. These programs include the Civil Service Retirement System, the Federal Employees' Retirement System, the Federal Employees Group Life Insurance Program, and the Federal Employees and Retired Employees Health Benefits Programs. In addition, this activity includes OPM's efforts to stay abreast of, and respond to, developments in non-Federal fringe benefits practices.

Workforce compensation and performance.—This activity includes developing and implementing pay and leave administration policy and evaluating the effectiveness of alternative compensation systems; developing classification policies and systems, and designing flexible alternatives to current systems; and developing Government-wide policy concerning employee performance management.

Investigations.—Focuses on assuring applicant and appointee fitness and suitability, and oversight of the investigative contract company.

Workforce relations.—This activity includes developing and administering policies, regulations and guidelines on employee relations, including adverse and performance-based actions and violence in the workplace; facilitating and supporting Federal work and family programs; providing leadership and policy guidance in support of agency human resources development programs and training technology initiatives; and providing guidance and assistance to Federal agencies in labor-management relations and partnerships.

Executive resources.—Provides Government-wide program leadership, policy direction, and technical assistance on all aspects of the Senior Executive Service personnel system and comparable executive systems.

Executive and other services.—Includes executive direction, policy development, legal advice and representation, public affairs, legislative activities, financial management, and the operating expenses of the President's Commission on White House Fellows.

Reimbursable programs.—OPM performs reimbursable work at the request of other agencies. OPM also provides administrative, information resources management, and executive service to other OPM accounts on a reimbursable basis.

VOTING RIGHTS ACT

The Committee continues to include a provision requested by the administration to allow Federal employees acting as Voting Rights Act observers to receive per diem at their permanent duty station. This provision makes it feasible for these observers to work in local areas and allow the Government to discontinue the practice of recruiting observers from distant locations and assuming the per diem, as well as travel costs.

CHILD CARE ASSISTANCE

The Committee remains concerned that child care expenses are often the second or third largest monthly expense Federal employees face. Additionally, many lower paid Federal workers are unable to afford quality child care. As private industry has increasingly used subsidized child care for its employees as an effective productivity enhancement, retention and recruiting tool, the Committee believes the Federal Government must continue its commitment to do the same.

The Committee is concerned about the limited number of infant spots in Federal child care facilities and the resulting impact on working parents. Therefore, the Committee directs the Office of Personnel Management, working in consultation with the General Services Administration, to assess the past, current, and future

needs of child care centers, including both infant and non-infant needs, in the Federal Government and provide a report to the Committee within 9 months after enactment of this Act on a plan to address these needs and the resources required to do so. The Committee expects OPM to coordinate with all Federal agencies in this effort.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2002	\$115,928,000
Budget estimate, 2003	120,791,000
Committee recommendation	121,765,000

The Committee recommends a limitation of \$121,765,000. The increase above the President's request is for pay parity.

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs.

RETIREMENT SYSTEMS MODERNIZATION

Over the past several years, the Federal Government has expended hundreds of millions of dollars on automation hardware and software without significant planning and architectural design. The General Accounting Office (GAO) has documented problems with design and systems procurement on countless occasions. The Committee is supportive of providing the technology necessary to modernize the Federal employee retirement system technology, but is concerned given past history with other Federal agencies. In fiscal year 2002, the Committee recommended that OPM reach out to GAO for guidance and support on this initiative and encouraged the establishment of a relationship for the duration of this project. The Committee is disappointed that OPM did not act upon that suggestion. Therefore, the Committee directs OPM to conduct quarterly meetings with GAO and inform the Committee on the progress of this IT modernization project.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2002	\$1,498,000
Budget estimate, 2003	1,498,000
Committee recommendation	1,519,000

The Committee recommends an appropriation of \$1,519,000 for salaries and expenses of the Office of Inspector General in fiscal year 2003. The increase above the President's request is for pay parity.

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, efficiency, and integrity in the Office of Personnel Management's activities which prevent and detect fraud, waste, and mismanagement in the agency's programs. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency au-

dits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2002	\$10,016,000
Budget estimate, 2003	10,766,000
Committee recommendation	10,886,000

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$10,886,000 for fiscal year 2003. The increase above the President's request is for pay parity.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH
BENEFITS

Appropriations, 2002	\$6,129,000,000
Budget estimate, 2003	6,853,000,000
Committee recommendation	6,853,000,000

The Committee recommends an appropriation of \$6,853,000,000 for Government payments for annuitants, employees health benefits. The Committee recommendation equals the budget estimate.

This appropriation covers the Government's share of the cost of health insurance for annuitants covered by the Federal Employees Health Benefits Program and the Retired Federal Employees Health Benefits Act of 1960, as well as administrative expenses incurred by OPM for these programs.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE
INSURANCE

Appropriations, 2002	\$34,000,000
Budget estimate, 2003	34,000,000
Committee recommendation	34,000,000

The Committee recommends an appropriation of \$34,000,000 for the Government payment for annuitants, employee life insurance. This amount equals the budget request.

Public Law 96-427, the Federal Employees' Group Life Insurance Act of 1980 requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for basic

coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribution associated with annuitants' postretirement life insurance coverage.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2002	\$9,229,000,000
Budget estimate, 2003	9,410,000,000
Committee recommendation	9,410,000,000

The Committee recommends an appropriation of \$9,410,000,000 for payment to the civil service retirement and disability fund. The Committee recommendation equals the budget estimate.

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees' Retirement System.

This appropriation provides for the Government's share of retirement costs, transfers of interest on the unfunded liability and annuity disbursements attributable to military service, and survivor annuities to eligible former spouses of some annuitants who did not elect survivor coverage.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriations, 2002	\$11,891,000
Budget estimate, 2003	12,434,000
Committee recommendation	12,449,000

The Committee recommends an appropriation of \$12,449,000 for the Office of Special Counsel (OSC). The increase above the President's request is for pay parity.

OSC investigates Federal employee allegations of prohibited personnel practices and, when appropriate, prosecutes cases before the Merit Systems Protection Board and enforces the Hatch Act. OSC also provides a channel for whistleblowing by Federal employees, and may transmit whistleblowing allegations to the agency head concerned and require an agency investigation and a report to Congress and the President when appropriate.

U.S. TAX COURT

SALARIES AND EXPENSES

Appropriations, 2002	\$37,305,000
Budget estimate, 2003	37,305,000
Committee recommendation	37,611,000

The Committee recommends an appropriation of \$37,611,000 for the U.S. Tax Court. The increase above the President's request is for pay parity.

The U.S. Tax Court is an independent judicial body in the legislative branch under article I of the Constitution of the United States. The court is composed of a chief judge and 18 judges. Deci-

sions by the court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The court conducts trial sessions throughout the United States, including Hawaii and Alaska. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

Tax Court Independent Counsel Fund.—This fund is established pursuant to 26 U.S.C. 7475. The fund is used by the Tax Court to employ independent counsel to pursue disciplinary matters involving practitioners admitted to practice before the Court.

Tax Court Judges Survivors Annuity Fund.—This fund established pursuant to 26 U.S.C. 7448, is used to pay survivorship benefits to eligible surviving spouses and dependent children of deceased judges of the U.S. Tax Court. Participating judges pay 3.5 percent of their salaries or retired pay into the fund to cover creditable service for which payment is required. Additional funds, as are needed, are provided through the annual appropriation to the U.S. Tax Court.

WHITE HOUSE COMMISSION ON THE NATIONAL MOMENT OF REMEMBRANCE

Appropriations, 2002	\$500,000
Budget estimate, 2003	250,000
Committee recommendation	250,000

The Committee recommends an appropriation of \$250,000 for the White House Commission on the National Moment of Remembrance. This is the same as the President's request. The Commission was established and authorized by Public Law 106-579. The Commission will also accept gifts and generate product royalty revenue in order to revitalize the national understanding and commemoration of Memorial Day. The Defense Emergency Response Fund included \$500,000 for the Commission in fiscal year 2002.

STATEMENT CONCERNING GENERAL PROVISIONS

Traditionally, the Treasury and General Government appropriation bill has included general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill. Those general provisions that are Governmentwide in scope are contained in title VI of this bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those general provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title V of the bill.

TITLE V—GENERAL PROVISIONS

THIS ACT

Section 501 continues a provision which limits the use of appropriated funds to the current fiscal year.

Section 502 continues a provision regarding consultant services.

Section 503 continues a provision which prohibits the use of funds to engage in activities which would prohibit in the enforcement of section 307 of the 1930 Tariff Act.

Section 504 continues a provision which prohibits the transfer of control over the Federal Law Enforcement Training Center.

Section 505 continues the provision concerning the employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 506 continues a provision which requires compliance with the Buy American Act.

Section 507 continues a provision which states the sense of Congress regarding notice and purchase of American-made products.

Section 508 continues a provision which prohibits an individual from eligibility for Government contracts if a court determines that individual has intentionally fraudulently affixed a “Made in America” label to any product non-American made.

Section 509 continues a provision which provides up to 50 percent of unobligated balances may remain available for authorized purposes in compliance with reprogramming guidelines.

Section 510 continues a provision which prohibits the Executive Office of the President from using appropriated funds to request FBI background investigation reports.

Section 511 continues a provision that cost accounting standards under the Federal Procurement Policy Act shall not apply to the Federal Employees Health Benefits program.

Section 512 continues a provision permitting OPM to utilize certain funds to resolve litigation and implement settlement agreements regarding the non-foreign area cost-of-living allowance program.

Section 513 continues a provision prohibiting the use of funds to any person or entity convicted of violating the Buy American Act.

Section 514 is a new provision concerning procurement of goods made with forced or indentured child labor.

Section 515 is a new provision increasing the size of the endowment for future Presidential libraries.

Section 516 is a new provision limiting the ban on travel to Cuba.

Section 517 is a new provision prohibiting the use of funds for any activity or operation of the Federal Accounting Standards Advisory Board unless the Congressional Budget Office is a signatory

to the Memorandum of Understanding establishing and governing the operations of the Board.

TITLE VI—GENERAL PROVISIONS, DEPARTMENTS, AGENCIES, AND CORPORATIONS

The Committee has recommended the inclusion of the following general provisions:

Section 601 continues a provision authorizing agencies to pay travel costs of the families of Federal employees on foreign duty to return to the United States in the event of death or a life threatening illness of an employee.

Section 602 continues a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603 continues a provision regarding price limitations on vehicles to be purchased by the Federal Government.

Section 604 continues a provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 605 continues a provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 606 continues a provision ensuring that agencies will have authority to pay the General Services Administration bills for space renovation and other services.

Section 607 continues a provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 608 continues a provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 609 continues a provision prohibiting the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 610 continues a provision precluding interagency financing of groups absent prior statutory approval.

Section 611 continues a provision authorizing the Postal Service to employ guards.

Section 612 continues a provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 613 continues a provision limiting the pay increases of certain prevailing rate employees.

Section 614 continues a provision limiting the amount that can be used for redecoration of offices under certain circumstances.

Section 615 continues provision prohibiting the expenditure of appropriated funds for the acquisition of additional law enforcement training facilities without the advance approval of the Committees on Appropriations and allowing the Federal Law Enforcement Training Center to obtain temporary use of additional facilities.

ties for training which cannot be accommodated in existing Center facilities.

Section 616 continues a provision permitting interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 617 continues a provision requiring agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 618 continues a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Section 619 continues a provision which prohibits the U.S. Customs Service from allowing the importation of products produced by forced or indentured child labor.

Section 620 continues a provision which prohibits the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

Section 621 continues a provision which prohibits training not directly related to the performance of official duties.

Section 622 continues a provision prohibiting the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 623 continues a provision which prohibits use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 624 continues a provision which prohibits use of appropriated funds by an agency to provide Federal employees home address to labor organizations.

Section 625 continues a provision which prohibits the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government.

Section 626 continues a provision which prohibits the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 627 continues a provision directing agencies employees to use official time in an honest effort to perform official duties.

Section 628 continues a provision authorizing the use of current fiscal year funds to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 629 continues a provision authorizing agencies to transfer funds to the Policy and Operations account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program.

Section 630 continues a provision authorizing breastfeeding at any location in a Federal building or on Federal property.

Section 631 continues a provision which permits interagency funding of the National Science and Technology Council.

Section 632 continues a provision requiring identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifica-

tions, press releases, or other publications related to the distribution of funding to a State.

Section 633 modifies and continues a provision which extends the authorization for franchise fund pilots for 1 year.

Section 634 continues a provision prohibiting the use of funds to monitor personal information relating to the use of Federal internet sites; the conferees apply this provision government-wide.

Section 635 continues a provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 636 continues a provision which clarifies that the United States Anti-Doping Agency is the official anti-doping agency for Olympic, Pan American, and Paralympic sport in the United States.

Section 637 is a new provision regarding Federal employee pay adjustments.

Section 638 continues a provision directing departments and agencies to comply with the Rural Development Act of 1972.

Section 639 is a new provision extending the expiration date of certain government information security requirements.

Section 640 is a new provision regarding numerical quotas for contracting out.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The Committee recommends the following appropriations which lack authorization:

Department of the Treasury:

Departmental Offices:

Salaries and expenses, \$195,100,000

Department-wide Systems and Capital Investments Program, \$70,828,000

Air Transportation Stabilization Program, \$6,041,000

Treasury Building and annex, repair and restoration, \$32,732,000

Financial Crimes Enforcement Network, salaries and expenses, \$50,825,000

Federal Law Enforcement Training Center:

Salaries and expenses, \$126,441,000

Acquisition, construction, improvements, and related expenses, \$40,009,000

Financial Management Service, salaries and expenses, \$222,078,000

Bureau of Alcohol, Tobacco and Firearms:

Salaries and expenses, \$899,753,000

U.S. Customs Service:

Salaries and expenses, \$2,525,453,000

Operation and maintenance, air and marine interdiction programs, \$177,829,000

Automation modernization, \$435,332,000

Internal Revenue Service:

Processing, assistance, and management, \$3,985,151,000

Tax law enforcement, \$3,774,121,000

Earned Income Tax Credit, \$147,223,000

Information systems, \$1,638,716,000

Executive Office of the President:

The White House Office, salaries and expenses, \$60,212,000

Office of Homeland Security, \$25,301,000

Executive Residence at the White House, operating expenses, \$12,339,000

Special Assistance to the President, salaries and expenses, \$4,093,000

Council of Economic Advisers, salaries and expenses,
 \$4,444,000
 National Security Council, salaries and expenses,
 \$9,600,000
 Office of Administration, salaries and expenses,
 \$70,338,000
 Office of Management and Budget, salaries and ex-
 penses, \$71,370,000
 Office of National Drug Control Policy, salaries and ex-
 penses, \$26,605,000
 Counterdrug Technology Assessment Center, salaries and ex-
 penses, \$40,000,000
 High-intensity drug trafficking areas, \$226,350,000
 Federal Election Commission, salaries and expenses,
 \$45,668,000
 Federal Labor Relations Authority, salaries and expenses,
 \$28,950,000
 General Services Administration, Federal buildings fund,
 limitations on availability of revenue: Construction and Acqui-
 sition of Facilities, \$651,663,000
 National Historical Publications and Records Commission,
 \$8,000,000
 Office of Government Ethics, salaries and expenses,
 \$10,557,000
 U.S. Tax Court, salaries and expenses, \$37,611,000

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 16, 2002, the Committee ordered reported S. 2740, an original Treasury and General Government Appropriations bill, 2003, subject to amendment and subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	
Mr. Kohl	
Mrs. Murray	
Mr. Dorgan	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson	
Mrs. Landrieu	
Mr. Reed	
Mr. Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	

Mr. Bond
Mr. McConnell
Mr. Burns
Mr. Shelby
Mr. Gregg
Mr. Bennett
Mr. Campbell
Mr. Craig
Mrs. Hutchison
Mr. DeWine

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation ¹	Amount of bill	Committee allocation ¹	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees, fiscal year 2003: Subcommittee on Treasury and General Government:				
Discretionary	18,501	18,501	18,237	² 17,953
Mandatory	NA	16,586	NA	16,583
Projection of outlays associated with the recommendation:				
2003				² 29,889
2004				3,013
2005				979
2006				369
2007 and future year				270
Financial assistance to State and local governments for 2003	NA	226	NA	57

¹ Levels approved by the Committee on June 27, 2002.

² Includes outlays from prior-year budget authority.

³ Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2003
[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2002 appropriation	Budget estimate
TITLE I—DEPARTMENT OF THE TREASURY					
Departmental Offices	177,142	191,914	195,100	+ 17,958	+ 3,186
Department-wide systems and capital investments programs	68,828	68,828	68,828	.....	.....
Office of Inspector General	35,424	35,428	35,736	+ 312	+ 308
Treasury Inspector General for Tax Administration	123,746	123,962	125,011	+ 1,265	+ 1,049
9/11 Supplemental (Public Law 107-117)	2,032	.....	.....	— 2,032	.....
Subtotal	125,778	123,962	125,011	— 767	+ 1,049
Air Transportation Stabilization Program Account .....	.....	6,041	6,041	+ 6,041	.....
Treasury Building and Annex Repair and Restoration	28,932	32,932	32,932	+ 4,000	.....
Expanded Access to Financial Services	2,000	2,000	2,000	.....	.....
Financial Crimes Enforcement Network	45,837	50,517	50,825	+ 4,988	+ 308
9/11 Supplemental (Public Law 107-117)	1,700	.....	.....	— 1,700	.....
Subtotal	47,537	50,517	50,825	+ 3,288	+ 308
Treasury franchise fund .....	.....	.....	.....	.....	.....
Counterterrorism Fund	40,000	40,000	40,000	.....	.....
Federal Law Enforcement Training Center:					
Salaries and Expenses	105,680	122,393	126,441	+ 20,761	+ 4,048
9/11 Supplemental (Public Law 107-117)	23,000	.....	.....	— 23,000	.....
Subtotal	128,680	122,393	126,441	— 2,239	+ 4,048
Acquisition, Construction, Improvements, & Related Expenses	33,434	23,329	40,009	+ 6,575	+ 16,680
9/11 Supplemental (Public Law 107-117)	8,500	.....	.....	— 8,500	.....
Subtotal	41,934	23,329	40,009	— 1,925	+ 16,680
Total	170,614	145,722	166,450	— 4,164	+ 20,728

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2003—Continued
[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2002 appropriation	Budget estimate
9/11 Supplemental (Public Law 107-117)	12,990	.....	.....	- 12,990	.....
Subtotal	3,810,880	3,958,337	3,985,151	+ 174,271	+ 26,814
Tax Law Enforcement	3,538,347	3,729,072	3,774,121	+ 235,774	+ 45,049
9/11 Supplemental (Public Law 107-117)	4,544	.....	.....	- 4,544	.....
Subtotal	3,542,891	3,729,072	3,774,121	+ 231,230	+ 45,049
Earned Income Tax Credit Compliance Initiative	146,000	146,000	147,233	+ 1,233	+ 1,233
Information Systems	1,563,249	1,632,444	1,638,716	+ 75,467	+ 6,272
9/11 Supplemental (Public Law 107-117)	15,991	.....	.....	- 15,991	.....
Subtotal	1,579,240	1,632,444	1,638,716	+ 59,476	+ 6,272
Business systems modernization	391,593	450,000	450,000	+ 58,407	.....
Total (net)	9,470,604	9,915,853	9,995,221	+ 524,617	+ 79,368
United States Secret Service:					
Salaries and Expenses	920,615	1,010,435	1,016,947	+ 96,332	+ 6,512
9/11 Supplemental (Public Law 107-117)	104,769	.....	.....	- 104,769	.....
Subtotal	1,025,384	1,010,435	1,016,947	- 8,437	+ 6,512
Acquisition, Construction, Improvements, & Related Expenses	3,457	3,519	3,519	+ 62	.....
Total	1,028,841	1,013,954	1,020,466	- 8,375	+ 6,512
Total, title I, Department of the Treasury	15,646,178	15,865,446	16,303,655	+ 657,477	+ 438,209
Appropriations	15,041,918	15,865,446	16,303,655	+ 1,261,737	+ 438,209
Rescissions .....	.....	.....	.....	.....	.....

TITLE II—POSTAL SERVICE					
Payment to the Postal Service Fund	29,000	29,000	60,014	+ 31,014	+ 31,014
9/11 Supplemental (Public Law 107–117)	500,000	.....	.....	– 500,000	.....
Subtotal	529,000	29,000	60,014	– 488,986	+ 31,014
Advance appropriation, fiscal year 2002/2003	67,093	47,619	47,619	– 19,474	.....
Advance appropriation, fiscal year 2004 .....	.....	31,014	.....	.....	– 31,014
Total, title II, Postal Service:	596,093	76,619	107,633	– 488,460	+ 31,014
Fiscal year 2002/2003 .....	.....	31,014	.....	.....	– 31,014
Fiscal year 2004 .....	.....	.....	.....	.....	.....
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
Compensation of the President and the White House Office:	450	450	450	.....	.....
Compensation of the President	54,651	84,592	60,212	+ 5,561	– 24,380
Salaries and Expenses .....	.....	.....	25,301	+ 25,301	+ 25,301
Office of Homeland Security .....	.....	.....	.....	.....	.....
Executive Residence at the White House:	11,695	12,228	12,339	+ 644	+ 111
Operating Expenses	8,625	1,200	1,200	– 7,425	.....
White House Repair and Restoration .....	.....	.....	.....	.....	.....
Special Assistance to the President and the Official Residence of the Vice President:	3,925	4,066	4,093	+ 168	+ 27
Salaries and Expenses	318	324	325	+ 7	+ 1
Operating expenses	4,211	4,405	4,444	+ 233	+ 39
Council of Economic Advisers	4,142	4,221	4,254	+ 112	+ 33
Office of Policy Development	7,494	9,525	9,600	+ 2,106	+ 75
National Security Council	46,955	70,128	70,338	+ 23,383	+ 210
Office of Administration	50,040	.....	.....	– 50,040	.....
9/11 Supplemental (Public Law 107–117)	96,995	70,128	70,338	– 26,657	+ 210
Subtotal	70,752	70,752	71,370	+ 618	+ 618
Office of Management and Budget .....	.....	.....	.....	.....	.....
Office of National Drug Control Policy:	25,263	25,458	26,605	+ 1,342	+ 1,147
Salaries and expenses	42,300	40,000	40,000	– 2,300	.....
Counterdrug Technology Assessment Center .....	.....	.....	.....	.....	.....
Total	67,563	65,458	66,605	– 958	+ 1,147

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2003—Continued
[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2002 appropriation	Budget estimate
Federal Drug Control Programs:					
High Intensity Drug Trafficking Areas Program	226,350	206,350	226,350	.....	+ 20,000
Special Forfeiture Fund	239,400	251,300	172,700	- 66,700	- 78,600
Unanticipated Needs	1,000	1,000	1,000	.....	.....
Election Administration Reform .....	.....	.....	.....	.....	.....
Total, title III, Executive Office of the President and Funds Appropriated to the President	797,571	785,999	730,581	- 66,990	- 55,418
TITLE IV—INDEPENDENT AGENCIES					
Committee for Purchase From People Who Are Blind or Severely Disabled	4,629	4,629	4,658	+ 29	+ 29
Federal Election Commission	43,689	45,244	45,668	+ 1,979	+ 424
Federal Labor Relations Authority	26,524	28,684	28,950	+ 2,426	+ 266
General Services Administration:					
Federal Buildings Fund:					
Appropriations	284,400	276,400	371,489	+ 87,089	+ 95,089
9/11 Supplemental (Public Law 107-117)	126,512	.....	.....	- 126,512	.....
Subtotal	410,912	276,400	371,489	- 39,423	+ 95,089
Limitations on availability of revenue:					
Construction and acquisition of facilities	(662,680)	(556,574)	(653,913)	(- 8,767)	(+ 97,339)
Repairs and alterations	(826,676)	(986,029)	(995,589)	(+ 168,913)	(+ 9,560)
9/11 Supplemental (Public Law 107-117)	(42,700)	.....	.....	(- 42,700)	.....
Subtotal	(869,376)	(986,029)	(995,589)	(+ 126,213)	(+ 9,560)
Installment acquisition payments	(186,427)	(178,960)	(178,960)	(- 7,467)	.....
Rental of space	(2,952,050)	(3,153,211)	(3,153,211)	(+ 201,161)	.....
Building Operations	(1,748,949)	(1,965,160)	(1,971,030)	(+ 222,081)	(+ 5,870)

9/11 Supplemental (Public Law 107-117)	(83,812)	.....	.....	.....	(- 83,812)	.....
Subtotal	(1,832,761)	(1,965,160)	(1,971,030)	(+ 138,269)	(+ 5,870)	.....
Subtotal, limitations	6,503,294	6,839,934	6,952,703	+ 449,409	+ 112,769	.....
Repayment of Debt	(72,000)	(79,685)	(79,685)	(+ 7,685)	.....	.....
Rental income to fund .....	.....	.....	.....	.....	.....	.....
Total, Federal Buildings Fund	410,912	276,400	371,489	- 39,423	+ 95,089	.....
(Limitations)	(6,575,294)	(6,919,619)	(7,032,388)	(+ 457,094)	(+ 112,769)	.....
Policy and Operations	143,139	.....	.....	- 143,139	.....	.....
Policy and Citizen Services .....	.....	65,995	75,304	+ 75,304	+ 9,309	.....
Operating Expenses .....	.....	88,263	87,674	+ 87,674	- 589	.....
Office of Inspector General .....	.....	37,617	37,916	+ 1,570	+ 299	.....
Electronic Government Fund .....	.....	5,000	45,000	+ 40,000	.....	.....
Allowances and Office Staff for Former Presidents	3,196	3,339	3,344	+ 148	+ 5	.....
Total, General Services Administration	598,593	516,614	620,727	+ 22,134	+ 104,113	.....
Merit Systems Protection Board:	.....	.....	.....	.....	.....	.....
Salaries and Expenses	30,555	31,790	32,027	+ 1,472	+ 237	.....
Limitation on administrative expenses	2,520	2,594	2,626	+ 106	+ 32	.....
Morris K. Udall Foundation:	.....	.....	.....	.....	.....	.....
Morris K. Udall Trust Fund	1,996	1,996	1,996	.....	.....	.....
Environmental Dispute Resolution Fund	1,309	1,309	1,309	.....	.....	.....
National Archives and Records Administration:	.....	.....	.....	.....	.....	.....
Operating expenses	244,247	256,731	249,875	+ 5,628	- 6,856	.....
9/11 Supplemental (Public Law 107-117)	1,600	.....	.....	- 1,600	.....	.....
Subtotal	245,847	256,731	249,875	+ 4,028	- 6,856	.....
Reduction of debt	- 6,612	- 7,186	- 7,186	- 574	.....	.....
Repairs and Restoration	39,143	10,458	14,208	- 24,935	+ 3,750	.....
9/11 Supplemental (Public Law 107-117)	1,000	.....	.....	- 1,000	.....	.....
Subtotal	40,143	10,458	14,208	- 25,935	+ 3,750	.....
National Historical Publications and Records Commission: Grants program	6,436	5,000	8,000	+ 1,564	+ 3,000	.....
Total	285,814	265,003	264,897	- 20,917	- 106	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2003—Continued
[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2002 appropriation	Budget estimate
Office of Government Ethics	10,117	10,488	10,557	+ 440	+ 69
Office of Personnel Management:					
Salaries and Expenses	99,636	128,804	129,686	+ 30,050	+ 882
Limitation on administrative expenses	115,928	120,791	121,765	+ 5,837	+ 974
Office of Inspector General	1,498	1,498	1,519	+ 21	+ 21
Limitation on administrative expenses	10,016	10,766	10,886	+ 870	+ 120
Government Payment for Annuitants, Employees Health Benefits	6,129,000	6,853,000	6,853,000	+ 724,000	.....
Government Payment for Annuitants, Employee Life Insurance	34,000	34,000	34,000	.....	.....
Payment to Civil Service Retirement and Disability Fund	9,229,000	9,410,000	9,410,000	+ 181,000	.....
Total, Office of Personnel Management	15,619,078	16,558,859	16,560,856	+ 941,778	+ 1,997
Office of Special Counsel	11,891	12,434	12,449	+ 558	+ 15
United States Tax Court	37,305	37,305	37,611	+ 306	+ 306
White House Commission on the National Monument of Remembrance	500	250	250	-250	.....
Net fiscal year 2002 proceeds from WTC stamp .....	.....	.....	.....	.....	.....
Total, title IV, Independent Agencies	16,674,520	17,517,199	17,624,581	+ 950,061	+ 107,382
Grand total (net)	33,714,362	34,276,277	34,766,450	+ 1,052,088	+ 490,173
Current year, fiscal year 2002	33,647,269	34,197,644	34,718,831	+ 1,071,562	+ 521,187
Appropriations	(32,363,857)	(34,197,644)	(34,718,831)	(+ 2,354,974)	(+ 521,187)
Rescissions .....	.....	.....	.....	.....	.....
Advance appropriations, fiscal year 2002/fiscal year 2003 .....	.....	31,014	.....	.....	- 31,014
(Limitations)	6,575,294	6,919,619	7,032,388	+ 457,094	+ 112,769